

EUROPEAN NEWS

Patrick Cockburn in Moscow assesses the significance of the jailing of a senior Soviet official Anti-corruption campaign reaches into high places

THE JAILING for 13 years of Mr Vladimir Sushkov, the former Soviet Deputy Foreign Trade Minister, and his wife Valentina for 11 years marks an escalation of the Kremlin's campaign against corruption which is starting to affect senior officials.

His month-long trial for corruption by the Soviet Supreme Court details of which were recently published by the trade union newspaper, *Trud*, is also significant because it is clearly intended as a warning to all Soviet officials who have commercial dealings with foreigners.

The revelations about the extent of Mr Sushkov's corruption—on his return from business trips abroad, a minibus used to meet him at Moscow's Sheremetevo airport because his official car was too small to carry all his purchases—is also proving damaging to the Foreign Trade Ministry at a

time when it is fighting to retain control of Soviet imports and exports.

This monopoly was formally ended at the beginning of this year when 21 ministries and 75 enterprises were given the right to trade abroad. But in the years between 1974 and 1985, when Mr Sushkov was deputy minister, the Foreign Trade Ministry had total control of all Soviet commerce with other countries.

The case started at the end of 1985 when Customs at Sheremetevo airport found jewellery and video equipment in the luggage of Mr Yevgeny Kuzminykh as he returned with Mr Sushkov from a short business trip abroad.

Mr Sushkov is said to have whispered to him: "Don't give away too much to the investigator. Don't name a single person or a single episode." The minister then rushed to his country house in Sarvika,

For the first time systematic bribery of Soviet officials by foreign businessmen has been widely publicised in the Soviet media

a prestigious area on the western fringe of Moscow where many senior officials have villas, where he began to bury coffee jars filled with jewellery and foreign currency in the garden.

There was a lot to hide. When Mr Sushkov's town house was eventually searched, police found 1,685 gold brooches, diamond pendants and rings worth more than Roubles 1m (£1m), as well as other property worth Roubles 500,000.

Other goods, which the couple had never bothered to look at, lay unopened. *Trud* says these goods had been accumulated over the years in the form of bribes from foreign businessmen looking for contracts in the Soviet Union, as well as

systematic fiddling of expenses during the 120 trips Mr Sushkov had taken abroad.

The revelations about corruption in foreign trade dealings are important because they are the first time that systematic bribery of Soviet officials by foreign businessmen has been widely publicised in the Soviet media. *Trud* said there are officials who selfishly "fight for every kopek of the people's money" in contract negotiations, but added that Mr Sushkov was not among them.

The court heard details of how an Italian company supplying specialised chemical products had first made contact with Mrs Sushkov, a senior official of the State Committee for Science and Technology,

who arranged meetings for the head of the company with the ministries handling chemicals and petrochemicals. The Italian businessman nicknamed Mrs Sushkov "the golden snore" for her expensive tastes.

All together Mr and Mrs Sushkov received Roubles 130,000 from this company, whose head was quoted as testifying at their trial that "the activity of my company in the Soviet market depended on them. The goods and jewellery they received were not paid for out of my account but were bought with the company's money."

Sketching in Mr Sushkov's background, the *Trud* correspondent says he came from an ordinary family. "At the start of the last war, although already aged 21, he was fortunate to be sent for further education as an engineer rather than going into the armed

forces. In the 1950s he headed the Soviet trade mission in Italy and then, for 10 years up to 1974, he was in charge of the foreign trade organisation responsible for importing machinery and equipment from the West. How did he get away with it for so long? *Trud* says that the real reason was that the Foreign Trade Ministry was one of those organisations which occupied a zone within which criticism was forbidden. "Glasnost" (openness) could not penetrate to their offices where the curtains of their windows were always drawn," the newspaper says.

Despite efforts to extend the right to trade abroad to other Soviet organisations, the Foreign Trade Ministry still retains an effective monopoly over Soviet exports and imports. Nevertheless, the Sushkov case has badly dented the credibility of its claims to special expertise in foreign commerce.

Italian GDP falls 0.4% in first quarter

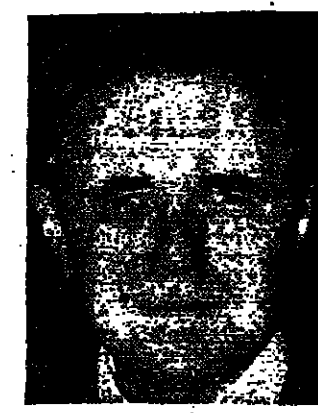
BY JOHN WYLES IN ROME

ITALY'S GROSS domestic product fell by 0.4 per cent from the last quarter of 1986 to the end of the first quarter of this year, despite one of the highest rates of domestic demand in Western Europe.

The decline means that the economy has been virtually standing still since the middle of last year. Nevertheless, the latest figures from Istat, the Government statistical agency, are not yet prompting the Italian Treasury's economists to revise their forecasts of 3 per cent growth for this year.

Italians have now come to regard themselves as "the locomotive of Western Europe" in the face of West Germany's reluctance to assume the role. The strong domestic demand for goods and services is thus sucking in a growing volume of imports of goods and services which rose by 4.4 per cent in the first quarter.

Unfortunately, Italian producers are not achieving any compensating gains through their exports which, in value terms rose by a slender 0.6 per cent in the first quarter. Compared to the first quarter of 1986, imports had risen by 8.8 per cent and exports fallen by 1.2 per cent. At the same time, the terms of trade which have been running in Italy's favour for several quarters have also



Clamp: Warning

begin to turn down: import prices rising by 1.2 per cent and export prices by 0.2 per cent.

Household consumption has risen at an annual rate of 3.5 per cent which some economists, including the Governor of the Bank of Italy, Mr Carlo Azeglio Ciampi, fear may nearly be overheating. The Governor warned last week that with bank loans to industry also rising at an annual 15 per cent rate, higher taxes and a credit squeeze may be needed to avoid higher inflation and troublesome balance of payments problems.

Bonn reports decline in asylum seekers

THE NUMBER of people requesting asylum in West Germany has dropped sharply compared with last year's 100,000 influx, which led to angry exchanges between East and West Germany, the Interior Ministry said yesterday, *Reuters* reports from Bonn.

The Junior Interior Minister, Mr Carl-Dieter Spranger, said in a statement that only 20,000 foreigners had sought asylum in the first five months of this year and he predicted the 1987 total would be about 60,000.

West Germany last year accused East Germany of cashing in on cheap flights to East Berlin for would-be immigrants from Iran, Lebanon and Ghana who were able to enter West Berlin without valid travel documents. East Germany denied responsibility.

Mr Spranger attributed the fall in the number of immigrants to a decision by East Germany to stop refugees taking cheap flights to East Berlin's Schoenefeld airport.

The United States, Britain and France, who administer Berlin under a post-war agreement with the Soviet Union, do not make border checks between East and West Berlin because that would imply recognition of the city's division.

Oil consortium seeks overturn of Greek takeover

BY ANDRIANA IERODIACONOU IN ATHENS

NAPC, the international consortium developing offshore oil deposits in the north Aegean, is seeking the cancellation of legislation passed last May allowing the state to take control of its activities.

Its application—to the Council of State, a body with power to overrule government and judicial decisions—was lodged by the four non-Greek companies participating in NAPC, led by Denison

Mines of Toronto. The Greek state-run Public Petroleum Corporation (DEP) has been a 25 per cent partner in the consortium since 1985.

Under the provisions of the main legislation, DEP invited the consortium partners three weeks ago to begin negotiations for the transfer of the control of NAPC's activities to the state. The legislation provides for the compulsory purchase of up to 51 per

cent of the consortium's shares by DEP. However, the Greek authorities have said that DEP will not exercise this option, if the transfer of control can be negotiated otherwise.

A consortium spokesman said yesterday that its recourse to the Council of State was preceded by two meetings with Mrs Sushkov, a senior official of the State Committee for Science and Technology,

reached a deadlock.

NAPC, one of Greece's largest foreign investments, was established in 1975 with an original product cost of approximately \$700m, partly financed by 16 international banks. The consortium's legal advisers argue that the recent takeover measure contravenes a special 1975 law under which the Greek state guaranteed the rights of the oil consortium against any future

legislation.

A British warplane crashed close to a Cypriot village yesterday slightly injuring the pilot, a military spokesman said, *Reuters* reports. "A Lightning fighter from Binbrook base in Britain crashed

"The pilot ejected and is in hospital with minor injuries," Mr Chris Shepherd, a base spokesman said.

Tour de France under starter's orders—in Berlin

BY LESLIE COLLITT IN BERLIN

MR JACQUES CHIRAC, the French Prime Minister, and Mayor of Paris, will be at the Brandenburg Gate in Berlin today for the start of the Tour de France in a unique French tribute to the former German capital on its 750th anniversary.

Visiting West Berlin just after President Francois Mitterrand, Queen Elizabeth II and President Ronald Reagan, the French Premier is being duly feted as a representative of one of the city's three "protective powers." West Berlin is paying DM 3.5m (£1.2m) for the privilege of playing host to the first two days of the Tour, which has to be flown back to

France as East Germany refuses to allow it to traverse its territory.

West Berlin's governing mayor, Mr Eberhard Diepgen, promised that the sporting event, which he also called a major political occasion, would provide invaluable publicity for West Berlin.

Both parts of Berlin and their respective supporters, West and East Germany, are marking the city's anniversary in a year-long celebration which is costing them a small fortune. Well over one billion Western and Eastern Marks have been spent to reconstruct and restore historical buildings and refurbish grimy facades in both

parts of the city. Nothing appears too costly to demonstrate that Berlin (West) is firmly linked with West Germany while Berlin (East) is the Hauptstadt (capital) of East Germany.

The East German authorities have opened wide their normally depleted hard currency coffers to attract leading Western orchestras and entertainment stars to East Berlin. The performances are televised to the rest of East Germany to allow citizens to participate vicariously in the capital's anniversary.

Somewhat to the chagrin of the organisers of the Berlin

festivities, West Berlin historians recalled that the only apparent reason for the 750th anniversary celebration is that Berlin's 700th year of founding was marked in a big way in 1937.

But the anniversary has meant some benefits for the population which go beyond free beer and *Bockwurst*. Last week permitted the Protestant Church to hold its first country-wide meeting in East Berlin since the erection of the Berlin Wall 25 years ago. The event went off without serious incident although church officials called on the government to "lower" the Wall and allow

East Germans to travel freely. The East German leadership, however, faces a knotty problem on August 1 when a "rock salute to Berlin" is presented in front of the Reichstag building hard by the Wall in West Berlin. Thousands of young East Germans recently rioted on Unter den Linden boulevard when the police prevented them from getting close enough to hear British rock groups performing at the Reichstag. Although the East German authorities have permitted several Western rock stars to tour East Germany, they apparently overlooked the groups which were booked to play in West Berlin.



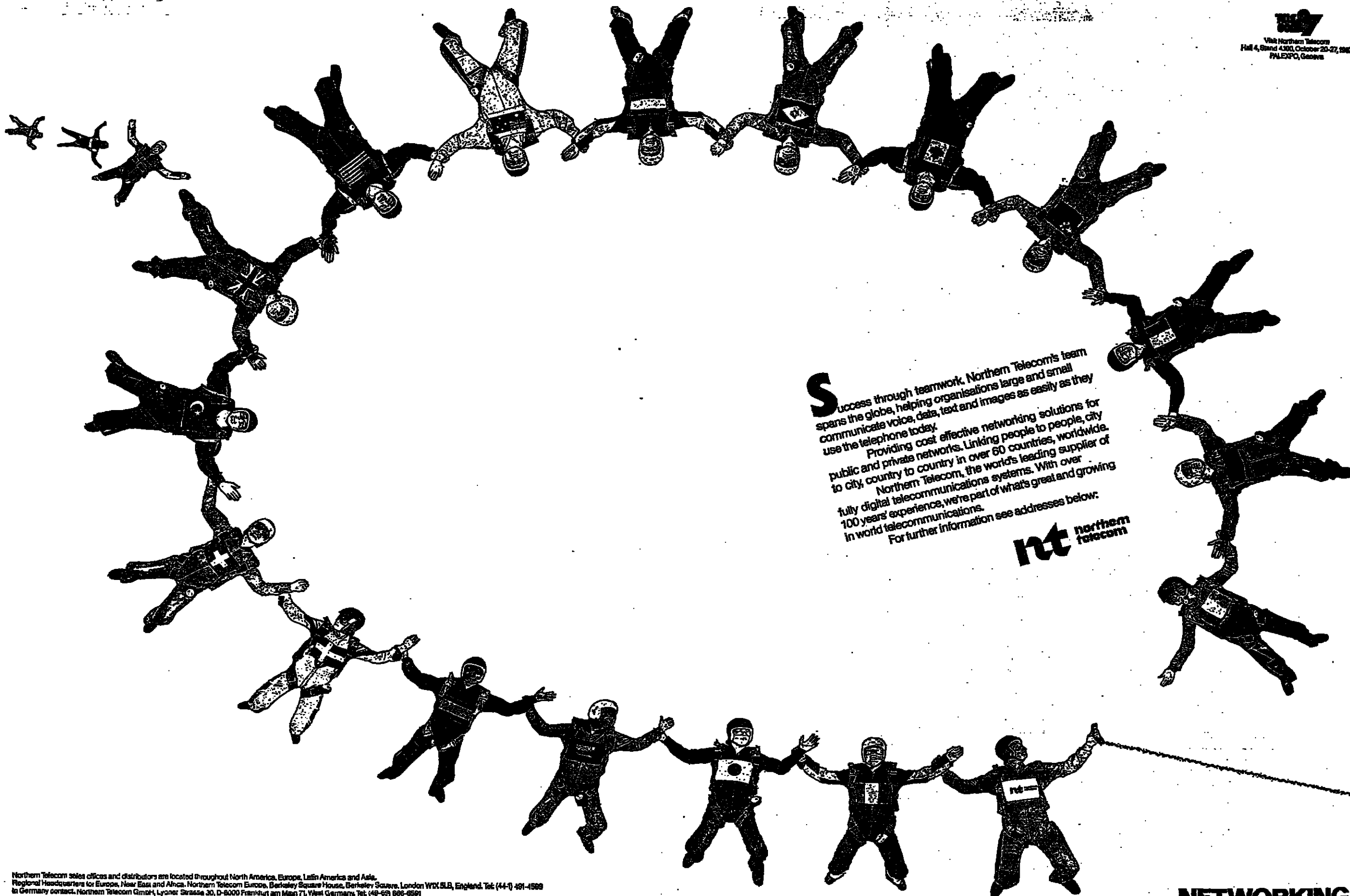
Chirac: at the Gate

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Buehler, R. A. F. McCann, G. T. S. Damer, M. C. Gossman, D. E. F. Palmer, London. Printer: Frankfurt-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: D. Albino, Frankfurt/Main. Quotations: 54, 6000 Frankfurt am Main 1. © The Financial Times Ltd. 1987.

FINANCIAL TIMES, US\$ No. 150640, published daily except Sundays and public holidays. US subscription rate \$365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

Visit Northern Telecom
Hill 4, Boreham Wood, Herts. SG9 6NF
PALESTINE, Geneva



Success through teamwork. Northern Telecom's team spans the globe, helping organisations large and small communicate voice, data, text and images as easily as they use the telephone today.

Providing cost effective networking solutions for public and private networks. Linking people to people, city to city, country to country in over 60 countries, worldwide.

Northern Telecom, the world's leading supplier of fully digital telecommunications systems. With over 100 years' experience, we're part of what's great and growing in world telecommunications.

For further information see addresses below:

nt northern
telecom

EUROPEAN NEWS

Commission to pursue airline reforms

By William Dawkins in Brussels

THE EUROPEAN Commission is to press ahead with direct negotiations with EC airlines in the wake of the surprise collapse of its package of air transport reforms.

Wary competition officials yesterday started work on fresh moves to bring airlines in line with EC competition rules in the absence of the liberalisation package blocked by Spain at a meeting of transport ministers this week. Madrid refused to accept the inclusion of Gibraltar airport in the scheme.

However, the Commission is a long way from tackling the tougher issue of what permanent air reforms proposals to resubmit to conform with the new procedures that came into force yesterday under the Single European Act. Officials estimate that a new scheme could be ready for ministers by the end of the year at the earliest and that assumes the UK and Spain make some progress in solving their row over Gibraltar.

The Brussels authorities are in the meantime asking airlines to submit their bilateral trading agreements for the Commission's approval, a temporary measure to allow Brussels to try to enforce reforms without the formal backing of a directive.

Commission officials made no attempt yesterday to hide their irritation over Spain's refusal to accept the package, especially after being offered more than a dozen compromise alternatives over the past two Transport Councils. They are suspicious that Madrid should have raised such a deep seated diplomatic objection so late in the air-line debate.

If Brussels does start work with a new airline reform scheme, it may wish to use that opportunity to introduce changes. Another option is to keep most of the old package and just resubmit the clause dealing with market access to take account of the outcome of the now intensified talks between Madrid and London.

Surprising degree of accord at the EC summit

The Brussels meeting was far from a failure, writes Quentin Peel

Nothing about the latest summit meeting of the 12 EC leaders, billed as a potential disaster from the start, was quite what it seems. The summit was actually remarkable for what it achieved, not for what it failed to do.

The summiters actually agreed the basis of solutions to three short-term crises: an end to the deadlock over farm prices this year, a solution on how to fill an Ecu 6bn (£3.5bn to £4.2bn) hole in this year's budget, and a temporary agreement on a research framework programme.

Eleven member states could agree on a joint communiqué, leaving Mrs Thatcher isolated once more. That looks easy enough to interpret: they all want to spend more money regardless, she is as tough and disciplinarian as ever, determined to curb the excesses of Brussels in general and the Common Agriculture Policy in particular.

Yet the document the Eleven actually agreed could practically have been drafted by Mrs Thatcher's advisers. When the first draft was produced by Mr Leo Tindemans, the Belgian

Foreign Minister, last Sunday morning, at the conclave of Foreign Ministers summoned to prepare the summit, scathing French and Italian observers called it "the Anglo-Belgian paper."

The southern phalanx of Greece, Italy, Spain and Portugal, with Ireland in associate membership, was furious that the draft paid too little heed to the need for a doubling of the social and regional funds available to backward regions.

The document which emerged at the end of the summit, and all subscribed to, was scarcely different in substance. By far the greatest emphasis was on budget discipline, spending control, and curbing the excesses of agriculture, with only token mention in the direction of the South.

Doubling of the so-called structural funds is mentioned—but only as the opinion of the European Commission. Far more important is that spending on all the non-agricultural part of the budget is supposed to be governed by something

called the "maximum rate"—a formula including elements of inflation, and the growth of public spending in member states—which would keep the growth of such funds far below the doubling so eagerly sought.

The agriculture section too, and the approach to budget discipline, is almost pure Thatcherism. The British got exactly what they wanted in a commitment to introducing "stabilisers" in each commodity sector of the CAP, in order to control spending automatically as soon as it exceeds a pre-set level.

There was also a commitment to tackle the problem of "budgetary imbalances"—a euphemism for the British budget rebate—in good time.

So what went wrong? How did Mrs Thatcher manage to talk herself back into the corner, after carefully seeking to find the middle ground of the Community ever since her budget rebate was agreed at Fontainebleau in 1984? And how did all the other EC

leaders (12 including both President Mitterrand and Mr Jacques Chirac of France) manage to agree on a document they only half-discussed?

One problem was certainly oils and fats—the tax the Commission proposed to find sorely needed finance for the budget. In the face of a storm of protest from outside suppliers, led by the US, the Community has been hopelessly split on the wisdom of the measure.

It was discussed no less than four times in the meeting, for a total of some four-and-a-half hours, without anyone changing their position. It led to one particularly sharp exchange between Mr Chirac and Mrs Thatcher over dinner on Monday night, when the French Prime Minister accused his British counterpart of having the mentality of a housewife, and failing to be Community-minded, Mrs Thatcher retorting with harsh words about wasting money on useless policies.

That undoubtedly soured the atmosphere. Then the debate concentrated overwhelmingly

on the part of the package concerning "cohesion"—or spending more money on poor regions—although the vague language was known to be generally acceptable.

Mrs Thatcher was bogged down on just two points in the entire 13-page document.

She was worried about being too specific in committing the member states to a new financing system "based on a percentage of gross national product" instead of the present value added tax base, although the commitment makes no mention of actually raising the total amount of funds.

She was also worried about a sentence which suggests that the base year for measuring the growth of farm spending—to be kept strictly limited—should be "redefined," because it takes no account of the recent surge in costs related to the fall of the dollar.

In the words of one senior official, both points could have been sorted out in 10 minutes—or perhaps an hour. But by the time the heads of govern-

ment had tackled the ferocious short-term problems of agrimonetary systems, budget shortfalls, and research spending, they were too tired to reopen the debate. Mr Wilfrid Martens, the Belgian Prime Minister in the chair, accepted with alacrity the proposal from Spain's Felipe Gonzalez that everyone should swallow his or her doubts, and say yes to what were only broad guidelines.

But Mrs Thatcher's "reservation" on the entire package has undoubtedly soured the atmosphere—although her behaviour cannot come as any surprise to the rest. It will not actually change anything in the course of the debate.

All officials accept that the financial reform package will now be discussed within the guidelines agreed by the 11, regardless of the UK objections. Any final conclusion obviously requires UK acceptance, because it requires unanimity, but nothing has been gained in substance.

It is just that the Thatcher style has been brutally confirmed, and the rest have surprised themselves at how much they were prepared to agree on.

No coalition in sight as Italian MPs reconvene

By John Wyles in Rome

THE TWO HOUSES of the Italian Parliament elected on June 15 gather for the first time today. Barring last minute deals this morning, the 630 members of the Chamber of Deputies and the 315 Senators will be arriving without knowledge for certain whether they are part of the governing majority or the opposition.

Their first task is to elect the presidents of each chamber; then the chairmen of committees. On this occasion the major parties have not made any advance job-sharing deals. This flows from their failure to begin stitching together a new Government. Mr Ciriaco De Mita, leader of the Christian Democrats who modestly strengthened their position in the election, has tried hardest to revive the coalition with the Socialists, Social Democrats, Liberals and Republicans, which governed since 1983. However, Mr Bettino Craxi, leader of the growing but much smaller Socialist Party, has been playing hard to get.

For the moment there is no other convincing majority except one based on collaboration between the two parties but Mr Craxi will not begin to put a price on his co-operation until President Francesco Cossiga launches official soundings about a new government next week.

In the meantime, he indicated yesterday that he would not mind if the Communist Ms Nilde Iotti were elected to a third term as president of the Chamber of Deputies. He also came out in favour of the Republican Mr Giovanni Spadolini, the former Minister of Defence, to lead the Senate.

But his elevation will need Christian Democrat approval since their elderly champion, Mr Amintore Fanfani, the current caretaker Prime Minister, had the last substantial tenure of the Senate presidency. However, Mr Craxi is almost certainly about to cede the prime ministership of the new Government to the Christian Democrats and Mr De Mita to demonstrate its modernity by not insisting on filling every top job, like in the old days.

Danish premier plays down talk of crisis

By Hilary Barnes in Copenhagen

THE DANISH Prime Minister, Mr Poul Schlüter yesterday played down talk of a crisis in the European Community. He was speaking on the day on which Denmark assumed the presidency of the EC for the coming half year.

"When you look back at the problems... let alone relations between the European states in the first half of this century, it is a bit too exaggerated to talk about a crisis," he told a meeting of the European Democra-

tic Group of the European parliament. On the morning after an exhausting two-day European summit Mr Schlüter said he was by no means intending to belittle the difficulties facing the EC, but cooperation was so clearly in the interest of member states that "they will not, this time either, put that co-operation at stake."

He carefully avoided any comment on the conflict which arose between Mrs Thatcher, the British Prime Minister and

other European leaders. Nor did he put forward any specific suggestions for solving the Community's immediate problems, which he said would have to be the subject of discussions over the next half year. But he warned that if the budget problem was not resolved the Community would come to a standstill and this would have political consequences. We should not become hypnotised by a budget total that only made up about 1 per cent of the Community's GNP, he said.

The problems of the EC's agricultural policy, must be solved through retrenchment of the support schemes for the individual sectors, he said.

Mr Henning Christophersen, Denmark's member of the Commission, yesterday dismissed suggestions that the Commission would propose an immediate dismantling of the budget rebate system that allows the UK to pay less than the 1.4 per cent of VAT revenues paid by other Community members.

Bonn welcomes compromise on agriculture

By David Marsh in Bonn

THE WEST GERMAN Government yesterday welcomed the overall compromise reached over agriculture at the European Community summit, even though it will add to financing pressure on the Bonn budget. Extra help for West German farmers to compensate for the gradual removal of the MCA (monetary compensation amounts) border tax system will add DM 1.1bn-DM 1.2bn

(£375m-£409m) to agricultural spending from 1989 onwards.

Mr Ignaz Kiechle, the Agriculture Minister, declared himself pleased with the Franco-German accord avoiding any immediate and total dismantling of MCAs which offset the impact of West German farmers' incomes of the strong D-mark.

These will now be removed progressively under a complex

formula offering "compensation" to farmers. He also hailed as positive the agreement reached to compensate for the agrimonetary effects of any future D-mark revaluation in the European Monetary System.

Mr Kiechle said the EC agreement on agricultural price cuts was less drastic than originally called for by the Commission. He consoled farmers, however, with the

remark that "no sensible person" could have expected farm price increases to be agreed.

The Social Democratic Party opposition, which has criticised the Government fiercely in recent days stepped up the attack yesterday by claiming that Chancellor Helmut Kohl had failed to bring the EC towards financial discipline.



WHO

WENT FROM MINI TECHNOLOGY TO MICRO TECHNOLOGY IN JUST 20 YEARS?

DAEWOO

THAT'S WHO!

In 1967 when the mini was big, Daewoo humbly began its operations with a small investment in the garment business. Twenty years later, Daewoo has grown into one of the world's most diversified and dependable suppliers, producing everything from high fashion to high technology, from earth moving machinery to

information transmitting microchips, from aerospace and automobiles to VCRs. By constantly expanding its range of expertise, Daewoo has reached the point that no manufacturing or technological challenge is too large or sophisticated for it to handle. Why not let all Daewoo has already done, help with all you've yet to do.

DAEWOO
C.P.O. BOX 2810 SEOUL, KOREA
TELEX: DAEWOO K23341-4

OVERSEAS NEWS

S African
mine union
to hold
strike votes

By Jim Jones in Johannesburg

SOUTH AFRICA'S National Union of Mineworkers plans to hold strike ballots on July 6 and gold and coal mining companies are implementing their final wage increases for black miners following the failure of wage talks on Tuesday this week.

Black miners' wages are normally increased on July 1 each year, and the Chamber of Mines says that it could not delay the increases as the NUM represents only 170,000 of the gold and coal industries' 500,000 black workforce.

Gold mining wages are to be raised by between 17 per cent and 23 per cent except at three marginal mines—Grootevlei, Stilfontein and Marieval—where increases will range from 16 to 21.6 per cent. The union's first demand was for an across-the-board increase of 30 per cent.

Mr Johan Liebenberg, the chamber's chief negotiator, believes the increases are reasonable and says he does not know if further wage talks will be held. He said that the union was at present organising ballots at mines which recognise it as representative of employees, mostly mines managed by Anglo American Corporation. The NUM has said it will ballot men on 27 gold mines and 18 collieries.

Several Swedish companies have applied for dispensation from the trade ban with South Africa on the grounds that the boycott will only serve to strengthen their South African competitors and hence fail to achieve its aim of weakening the South African regime, Sare Webb reports from Stockholm.

Some companies have complained that the boycott could damage their interests at home and force job cuts in Sweden.

The legislation imposing the trade boycott against South Africa came into force yesterday though companies still have three months to wind down their activities.

The National Board of Trade said that it had received applications for dispensations from Atlas Copco (mining equipment and tools), Sandvik (tools), Secoroc (rock drills), Nitro Nobel (civilian explosives), Pacwire (packing wire), Siemens-Elema (hospital equipment) and Oppboga (paper).

It is now up to the Foreign Trade Department to decide whether to grant dispensations and risk accusations of hypocrisy and of only serving Swedish interests.

Robin Pauley reports on economic problems after the coup

No sugar in Fiji's brew

ALL ATTEMPTS to harvest Fiji's sugar cane crop have been abandoned for a month. The Fiji Sugar Corporation has shut down, bringing the South Pacific island state to the brink of economic collapse.

The country has effectively been brought to its knees in the seven weeks since a military coup overthrew the newly elected government of Dr Timoci Bavadra. The Governor General is ruling with emergency powers but only with the consent of the army. A political solution appears beyond grasp as long as the Melanesian minority continues to insist on guaranteed parliamentary supremacy over the Indians.

Sugar is the country's most important source of foreign currency. Last year, sugar exports earned \$134m, just over half of the value of all local exports. The only other principal source of foreign exchange is tourism which has been devastated since the May 14

military coup. In the sugar fields Tuesday was a day of high tension. The huge Lautoka mill, 30 kilometres from here, was supposed to open, more than a month late.

It never happened. The experience at the Labasa mill, on the nearby island of Vanua Levu, was warning enough. A mass walkout by the workforce on Monday in protest at the behaviour of increasingly unruly soldiers was followed by arson and sabotage.

The management closed Lautoka before it opened. There were no soldiers to be seen. Equally significant, there was virtually no sugar cane to be seen—just a miserable heap, barely enough to keep the huge plant crushing for a couple of hours if it had started up.

The trouble was that 90 per cent of the sugar farms, had won. They had vowed to use the only weapon available to them in protest against last month's military coup which toppled the

Dr Bavadra's Government. "We are the backbone of this country. We are not going to have everything we have worked for taken from us. If we have to take the country's economy down to get what is right, we will do it. If you did not believe it before, you have to believe it today," said one cane farmer near Lautoka mill.

Flying over the sugarfield during the last two days, it has been clear that most farmers agree with him. A few cleared patches looked like small brown tiles in huge carpets of green cane still standing, swaying tall and defiant in the South Pacific breeze.

Fijians, like the cane, are standing around. The country is becoming rapidly unemployed as the crisis deepens. Yesterday's shutdown threw 2,500 people out of work. The collapse of tourism has made many thousands redundant from the nearly deserted hotels and restaurants.

Away from the towns there is high tension. Melanesians have set fire to Indian homes in one sugar-growing area, fights between Melanesians and Indians broke out in another and there were scattered incidents of Indians setting fire to their own crops to ensure their destruction.

Mr Savanasa Swaitibau, governor of the Reserve Bank, made it clear yesterday just how it is. Since the coup, foreign reserves have fallen by a third to \$113m, a key reason for Monday's 17.75 per cent devaluation of the Fiji dollar.

Mr Swaitibau warned that Fiji residents with assets and investment abroad may soon be required to realise them and change the proceeds from foreign currencies to Fiji dollars.

Property values have fallen by an average 30 per cent since the coup, and as the economic and political situation worsens, rising numbers of residents are trying to emigrate.

Fiji's attempt to revive the

tourist industry is now the only major short-term hope of keeping the economy off the reef. Hotels and airlines have banded together to offer cheap holidays from today. Return fares from Australia and New Zealand will be cut by nearly two-thirds.

Both Australia and New Zealand have elections within the next six weeks. "Maybe they will all come here to escape the election campaigns," said an Indian taxi driver, who had spent 11 hours at Nadi airport waiting for his first \$10 fare.

The authenticity of the claim by the Organisation for the Defence of Free People slipped an envelope with a type-written Arabic communiqué under the door of the offices of a local radio station in the port city of Suva, said a friend of the editor of Sawt al Watan.

The authenticity of the claim by the Organisation for the Defence of Free People remains difficult to prove since it was not accompanied by any proof such as a photograph. The typed Arabic responsibility claim was not dated.

The Syrian command in Beirut is still hopeful it can manoeuvre the release of Mr Glass, who was a frequent visitor to Syria. Syrian officers assigned to the Lebanese capital see his apparently well-planned kidnapping as an affront to their prestige, aimed at discrediting a Syrian security plan enforced in and around Beirut last February.

A Syrian drive to restore confidence in its declared aim of making West Beirut safe for westerners again coincided with press and television reports, still unsubstantiated, that a number of foreign and American hostages, believed held in Beirut, have been moved to Iran.

British Independent Television News reported on Tuesday that two US hostages and missing British church envoy, Mr Terry Waite have been moved from Lebanon and are almost certainly being held in the Iranian holy city of Qom.

Shi'ite Muslims in Beirut were cited as saying that Mr Waite and the two Americans, Mr Terry Anderson and Mr Thomas Sutherland, had been moved by different land and sea routes to Iran. The report said the two Americans were believed to have been moved out in coffins, drugged and disguised as the bodies of Hizballah gunmen killed in Beirut.

The Lebanese weekly Ash Shiraa, which first broke the Iran-US arms deal last November reported last month that some American hostages had been moved to Iran for planned trials on charges of espionage.

Socialist ideology ruled out by the Nigerian military

NIGERIA'S military leadership yesterday ruled out a socialist ideology for the country and said it would allow only two political parties when it restores civilian rule, Reuters reports from Lagos.

But a White Paper approved by the Armed Forces Ruling Council after two days of closed debate remained silent on the exact date of the handover.

Officials said the president, General Ibrahim Babangida,

would end speculation about the timing of the military's departure in a national broadcast.

President Babangida and his 28 fellow-officers in the council, who seized power in 1983, held another marathon session in Lagos yesterday to finalise the transitional programme.

Their discussions were based on a secret report prepared by a government-appointed political

bureau and submitted to the ruling council last March.

One of its key recommendations was that black Africa's largest country should renounce its long-held socialist orientation and embrace socialism instead.

The political bureau, largely composed of academics, proposed the full nationalisation of the oil industry, on which Nigeria depends for about 80 per cent

of its foreign earnings, as well as the other "commanding heights" of the economy.

The council said in its White Paper that it had rejected these proposals and the imposition of any political ideology on the nation.

The government believes an ideology will eventually evolve with time and political maturity," the council said, adding that the level of state participation in

the economy was already sufficient.

The council accepted the bureau's recommendation for a two-party system when the present ban on politics is lifted.

During Nigeria's 10 years of civilian rule since independence from Britain in 1960, no such restriction existed and each of the country's three main ethnic groups was closely identified

with a political party.

By limiting parties to two, the council is clearly hoping to break the tribal mould of politics in the past and force cross-ethnic electoral alliances instead.

The White Paper approved the presidential system of government, which existed during the 1970-83 civilian rule, and the present federal structure of 19 states divided into more than 300 local government areas.

Israel attacks
Jordan over
Waldheim visit

ISRAEL criticised Jordan yesterday for welcoming President Kurt Waldheim of Austria on a state visit but muted its rebuke in an apparent effort not to alienate King Hussein, with whom the Jewish state seeks peace talks, Reuters reports from Jerusalem.

A senior Israeli official told reporters Jordan had not taken the right step in inviting Mr Waldheim, accused by Jewish organisations of involvement in Nazi war crimes in the Balkans.

But state radio said Mr Yitzhak Shamir, the Prime Minister, rejected demands by Mr Ariel Sharon, the right-wing Trade and Industry Minister, for the Cabinet to debate and condemn the visit.

Iran's island bases seen
as targets for US

By Tony Walker, recently in Kuwait

IRAN'S Revolutionary Guards "navy" is operating from small islands in the Gulf that are likely to become prime targets if an American ship is attacked. One such island is al-Farziyah in the Northern Gulf, that, according to a well-placed source in Kuwait, is one of the staging posts for recent attacks against shipping servicing Kuwaiti ports.

"Al-Farziyah is an obvious target," said a senior Western diplomat. "The US Navy could obliterate the island without causing civilian casualties."

Mines laid recently in the al-Ahmad Channel leading to Kuwait's oil ports were probably sown by Revolutionary Guards based on al-Farziyah, according to the Western official.

Further south in the Gulf, near the Strait of Hormuz, Revolutionary Guards are also using small islands as staging posts. These, too, are likely to be prominent on lists of potential US targets.

Mr Hassan Alai, commander of the Revolutionary Guards' navy, which mainly consists of small high-speed boats, warned the US at the weekend against intervening in the Gulf. Young Iranian Revolutionary Guards have been patrolling the waters of the Gulf in 40-foot Swedish-built boats.

In Kuwait, observers are warning of the possibility of Iran preparing to use these small boats as floating suicide bombs against US naval targets. Because they are low in the water, they would be difficult for radar to detect.

Taiwan frees
writers of
bad cheques

By Robert King in Taipei

THE GATES of Taiwan's prisons swung open yesterday for 1,400 people imprisoned for writing bad cheques and another 30,000 will be spared criminal sanctions for the same offence.

Taiwan's parliament late in June approved the provision after January 1 1987, the revision still left 1,400 people serving sentences, another 5,900 awaiting sentencing and nearly 25,000 in hiding because of bad cheques.

In future, prosecutors will have to prove intent to defraud before people are sent to jail.

Odinga calls for return
to multi-party system

By Andrew Buckoke in Nairobi

A FORMER vice president of Kenya, Mr Jaramogi Odinga, yesterday appealed for a return to a multi-party system for parliamentary elections due next year in an open letter to President Daniel arap Moi.

Mr Odinga also told journalists that he would be willing to lead a new party. The 72-year-old politician resigned as vice president to form a break-away party, the Kenya People's Union, in 1968. He was detained for 15 months by Jomo Kenyatta after the party was banned in 1969.

He also put under house arrest for a year by President Moi following allegations of his support for the 1982 coup attempt. His son, Raila Odinga, remains in detention in connection with the coup attempt.

Although he said he hoped it would be conciliatory, Mr Odinga's letter is a scathing attack on the country's current leadership and on the Kenyan African National Union, its sole legal party. "The manoeuvres to muzzle and emasculate parliament and reduce it to a rubber stamp of the executive and party are a serious affront to democracy," he wrote.

The Government's declaration that KANU is supreme over all other bodies was described as "an abrogation of the constitution." He called the KANU disciplinary committee, which recently suspended Mr Kimani wa Nyokoe, an outspoken MP who had urged the Government to open a dialogue with the church and other critics, "a tool used by power-hungry politicians."

Mr Odinga also said he hoped it would be conciliatory, Mr Odinga's letter is a scathing attack on the country's current leadership and on the Kenyan African National Union, its sole legal party. "The manoeuvres to muzzle and emasculate parliament and reduce it to a rubber stamp of the executive and party are a serious affront to democracy," he wrote.

The Government's declaration that KANU is supreme over all other bodies was described as "an abrogation of the constitution." He called the KANU disciplinary committee, which recently suspended Mr Kimani wa Nyokoe, an outspoken MP who had urged the Government to open a dialogue with the church and other critics, "a tool used by power-hungry politicians."

Mr Odinga also said he hoped it would be conciliatory, Mr Odinga's letter is a scathing attack on the country's current leadership and on the Kenyan African National Union, its sole legal party. "The manoeuvres to muzzle and emasculate parliament and reduce it to a rubber stamp of the executive and party are a serious affront to democracy," he wrote.

AMERICAN NEWS

Brazil to extend Paris
Club debt moratorium

By Ivo Dawday in Rio de Janeiro

THE Brazilian Government yesterday announced a formal extension of its debt moratorium on principal falling due this year to the Paris Club group of sovereign country creditors after failing to win agreement last month on a 90-day suspension of payments.

But Mr Luiz Carlos Bresser Pereira, the Finance Minister, insisted that the decision was not a hostile action. "This is not a confrontation, but merely to protect our reserves," he said.

In a telephone conversation with a Paris Club official yesterday, the minister repeated the point in an effort to minimise angry reaction from the sovereign creditors.

Delays in drawing up a new series of national targets for trade surpluses, public sector borrowing, and foreign exchange reserves, had led many analysts to expect the action. In essence it maintains the situation prevailing since January when the Paris Club agreed a temporary six-month delay in payment of \$1bn falling due this year.

Mr Bresser also debated with senior officials yesterday whether to extend the payments suspension to \$242m in



Luiz Carlos Bresser Pereira

interest rates falling due on the principal this year. But the proposal was rejected as excessively provocative. Last month, Brazil asked the Paris Club for a further 90-day extension of the January agreement suspending payments on 1987 principal. This was refused on the grounds that no accord had yet been reached.

Yesterday's decision appeared merely to confirm the status

quo while awaiting the outcome of an International Monetary Fund (IMF) report on the country's new economic plan. The Paris Club has long argued that it cannot reach agreement on debt until the country accepts a full IMF accord on targets and objectives.

A multilateral agreement between the two sides on the refinancing of debt falling due in 1983-84 is not effected by Brasilia's decision. Exempting interest from the moratorium will come as relief to those who feared a more aggressive stance.

One foreign diplomat said: "It would have totally reversed the whole positive atmosphere on debt that has emerged since Mr Bresser took control of the talks."

One option also under consideration was to suspend only to those countries that have signed bilateral accords with Brazil over the past six months. These include France, Canada, West Germany, Italy and the Scandinavian countries.

However, many foreign countries say they have been ready to agree bilaterally but simply have not been able to set a date for talks with the Brazilians.

Soviet Union
'agrees US
missile
proposal'

By Robert Mautner, Diplomatic Correspondent

THE SOVIET UNION has agreed in principle to a US proposal, backed by Washington's NATO allies, that all intermediate-range nuclear missiles should be eliminated and that none should remain in Soviet Asia and the US, as originally intended, according to US reports.

The New York Times said that US officials were waiting for Moscow to formally table the proposal, which would mean that the Soviet Union was dropping its insistence that it should be allowed to retain 100 medium-range warheads in Asia in return for a similar number to be kept by the US in Alaska.

As part of the deal, the US would agree not to convert its ground-launched cruise missiles in Europe into sea-launched missiles, the newspaper said. It would also forego any right to convert its Pershing 2 medium-range missiles in Europe into shorter range Pershing 1Bs, which could be handed over to West Germany.

The newspaper said the compromise was outlined several weeks ago by Colonel General Nikolai Chervov, head of the Arms Control Directorate of the Soviet General Staff, in a conversation with Maynard Giltman, chief American negotiator on medium-range nuclear missiles.

Senator Richard Lugar, a prominent US Republican Senator, said yesterday that he was encouraged by reports that an agreement on intermediate range nuclear forces (INF) could be tied up when Mr George Shultz, the US Secretary of State, meets Mr Eduard Shevardnadze, his Soviet opposite number, in the middle of this month. But he indicated that effective verification procedures had yet to be worked out before the agreement could be concluded.

GORBACHEV'S REFORMS REMAIN DREAM FOR CUBANS

Castro steers steady course

NEVER has business been so brisk at Havana's news stands for an official Soviet magazine. Suddenly, the weekly "Moscow News", which used to sit on the racks, is required reading.

For the "News" is full of "glasnost" and "perestroika", painting a picture of sweeping reforms in a socialist society that Cubans can only dream of.

President Fidel Castro has shown little enthusiasm for Soviet leader Mikhail Gorbachev's new direction. He has referred to it only vaguely in public statements, but in a recent speech he said that "we are not obliged to copy... the socialist countries' experience."

"Often, when you get into the habit of copying, you make grave mistakes," President Castro told a congress of small farmers.

Until a year ago, those farmers had been selling their surplus fruit and vegetables in free markets, setting their own prices and finding their own customers much as their Soviet counterparts do.

But while Moscow has encouraged the practice, Havana closed the markets down in 1986, as part of President Castro's campaign for "the rectification of errors and struggle against negative tendencies."

Officials here, looking pained, like to recall the case of a garlic grower said to have earned 50,000 pesos, over five times a minister's salary, from his private sales.

Such free market kinks in a socialist economy could not be tolerated, the President explained to the farmers' meeting. "It seemed as if

Peter Ford, recently in Havana, examines the response among Cubans to the Soviet Union's introduction of 'glasnost'



the revolution had come up with a new slogan. Not 'proletarians unite', but 'proletarians and peasants, enrich yourselves,' he said.

Government leaders are wary when asked what they think about Mr Gorbachev's reforms. "We don't like to comment on the way each country chooses to construct socialism," says Deputy Prime Minister Ricardo Alarcon.

"There are real cultural, physical and economic differences between socialist countries," he points out. "We have to maintain a correct balance between the value of foreign experiences" and the Cuban government's own methods.

Those methods, as the "rectification" campaign continues, involve tightening central control of the economy, and emphasising a revolutionary moral duty to work harder and more efficiently.

President Castro has enlisted the help of the press in this, encouraging

the state-owned media to abandon their traditional "triumphalism", and to be more critical of government failings.

But Cuban journalists have shown themselves less bold than their Soviet colleagues exploring "glasnost", and their boundaries are narrower too.

"This is not a Czechoslovakia 1968 style liberalisation of the press," cautions Ms Julia Garcia, president of the Cuban journalists' union. Asked to recall a bad story that reporters had broken themselves, on their own initiative, Ms Garcia came up empty handed.

"The problem," suggests one foreign reporter here, "is that Fidel is the only investigative journalist in the country."

On the economic front, "rectification" has meant greater government control, depriving individual enterprise managers of responsibilities they enjoyed in the past, in a

move running directly counter to the Soviet tendency.

Top planning official Mr Gilberto Valdez argues that Cuba's experience of de-centralisation was not a happy one.

When one state enterprise was competing against another for resources, he explained, "managers were saying that for them, the most important thing was their enterprise above the interests of society as a whole."

To keep employees from seeking other jobs, for example, some managers were paying salary bonuses without demanding extra productivity, officials say.

The entire incentive programme is currently under review, and although material incentives have not been abolished, the government's stress is on "moral" incentives, such as being named a "vanguard worker."

In a mood reminiscent of the early years of the Cuban revolution, President Castro is enjoining "voluntary work, the spirit of human solidarity... that led combatants to fight and die in the Sierra Maestra" against former dictator Fulgencio Batista.

"A revolutionary should think more with his heart and soul than with his stomach," echoes Mr Valdez.

Some foreign diplomats say President Castro has embraced 1960s idealism, rather than Mr Gorbachev's pragmatism, because the "Guevarismo" applied here soon after the revolution better suits his personal political bent.

Chinese opt for Hollywood's old favourites

CHINESE audiences, starved of Hollywood saccharine since the revolution brought Mao Zedong to power in 1949, are to get another chance to see their childhood favourites thanks to a ground-breaking agreement between Twentieth Century Fox and the national television network in Peking, writes James Buchanan in New York.

Under the agreement announced this week, the Central China Television Network

will broadcast 52 old titles from Fox's extensive film library, including no fewer than six Shirley Temple vehicles.

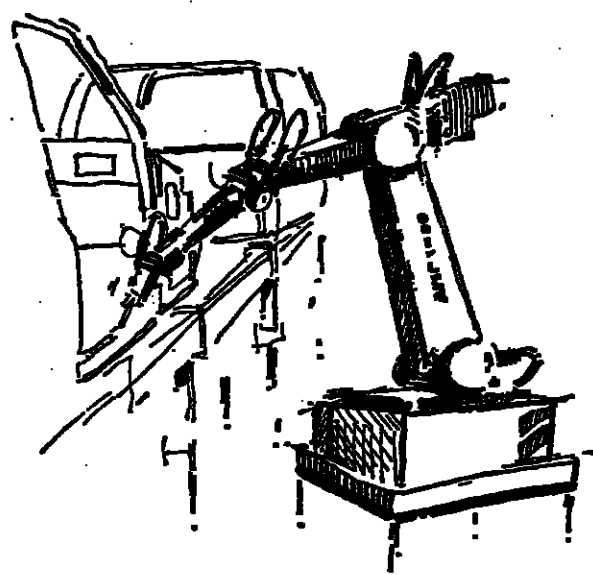
"This venture marks the first time American films will be regularly available on the Chinese national television network," said Mr William Saunders, a senior vice-president of Fox, which is a subsidiary of Fox in Beverly Hills, News Corp.

The films will be broadcast weekly at 4 pm, prime time in the People's Republic, beginning in October. While the deal includes such relatively recent films as the Sound of Music and Patton, most of the films selected were of pre-revolutionary vintage.

"It's not a case of our unloading titles nobody wanted," said Mr Michael Blinkov, an executive of Fox in Beverly Hills. "The Chinese Government

selected the older titles. Perhaps they like seeing films they saw when they were young." As part of the deal, Fox will keep six minutes of advertising time in each broadcast, which it believes it can sell dear.

"CCTV" reaches 600m people in the largest country in the world," said Mr Saunders. Fox is marketing the slots to multinational companies in Japan, the US and Australia.



A giant performance in manufacturing.

ICL is this country's leading supplier of computers and information systems. One of the reasons for this is that we have chosen to concentrate our expertise in key market areas.

Manufacturing is one of them.

Computer Integrated Manufacturing is transforming British industry. Few companies can match ICL's growth in the supply of mainframe and minicomputer-based CIM solutions — 20% in the last twelve months.

ICL products are used in manufacturing industries as diverse as aerospace and pottery, electronics and sports equipment.

Our own production line is one of the most advanced CIM implementations in Europe.

But good products and experience are only part of the picture.

Our full consultancy and training services include the ability to integrate our products with existing systems.

This enables us to produce effective

business solutions and demonstrates our very real commitment to the manufacturing industry.

It is a commitment that typifies our performance in each and every one of our chosen markets. The result is a record of corporate growth and achievement that leads to one inescapable conclusion.

There is no better or stronger IT company to do business with.

We should be talking to each other.

ICL

INVESTING FOR BEGINNERS

By Daniel O'Shea

This book is based on a complete series of articles published in the Investors Chronicle under the heading 'Beginners Guide to the Stockmarket'. It analyses the basic principles of stockmarket investment, discusses the different categories of quoted investments, examines a whole range of related essentials such as the interpretation of company accounts and gives an up-to-date review of relevant tax rules.

In short, it is a complete guide to its subject. An ideal guide for people new to the stockmarket, investing for Beginners should also prove valuable to experts who wish to refresh their ideas on basic aspects of the subject.

- Contents**
- 1 How safe are stocks and shares?
 - 2 How do stocks work?
 - 3 Equities give you a piece of the action
 - 4 How to buy and sell stocks and shares
 - 5 Earnings and dividends - and how to measure them
 - 6 Understanding company accounts
 - 7 Putting the figures to work
 - 8 Movements in markets
 - 9 Building a portfolio
 - 10 Manufacturing companies: the problem areas
 - 11 Success among the retailers
 - 12 Banking and insurance
 - 13 Investment trusts offer a spread
 - 14 How to evaluate property companies
 - 15 Understanding the oil market
 - 16 Thrills and spills in mining shares
 - 17 Overseas trading companies
 - 18 Investing abroad: high risks for high rewards
 - 19 What scrip issues are all about
 - 20 When a company makes a rights issue - the shareholder's sums
 - 21 Thrills and spills of the takeover
 - 22 New issues - how companies get a quote
 - 23 More about gilts - and other fixed interest stocks
 - 24 Warrants, options and traded options
 - 25 Investing the unit trust way
 - 26 Insurance-linked investment - the pros and cons
 - 27 Using charts and other investment systems
 - 28 Your broker and your shares
 - 29 Approaching the investment tax sums
 - 30 Share issues and gilts tax
 - 31 Where to get information and advice

Published January 1987

Order Form

Please return to:
The Marketing Dept.
Financial Times Business Information
102 Clerkenwell Road, London EC1M 6SA
Tel: 01-251 9321 Telex: 23700
(All order orders only)

Please send me _____ copy/copies of INVESTING FOR BEGINNERS (258).
Price per copy: £9.50 UK or £12.00 US/US\$ overseas.
I enclose my cheque value £/US\$ _____ made payable to
FT Business Information.

I wish to pay by credit card (mark choice):
☐ Visa ☐ Access ☐ American Express ☐ Diners
Card No. _____
Card Expiry Date _____

☐ I wish to order 5 or more copies. Please send me details of bulk order discounts or telephone: _____

(BLOCK CAPITALS PLEASE)
Mr/Ms/Miss _____
Title _____
Organisation _____
Address _____
Postcode _____ Country _____

Signature _____ Date _____

Please allow 28 days for delivery. Refunds are accepted on books returned in perfect condition and within 7 days of receipt.

Registered Office: Bracken House, 10 Cannon Street, London EC4P 4BY.
Registered in England No. 860896.

Company Notices

Blair Athol Finance Limited Guaranteed Floating Rate Notes Due 1994

Notice is given that the rate of interest for the initial period 2 July 1987 to 4 August 1987 has been fixed at 7.275 per cent. The amount payable against Coupon No. 1 on 4 August 1987 will be US\$333.44.

Bank of Montreal London
as FRN Agent

FURTHER NOTICE TO HOLDERS OF 7% CONVERTIBLE SUBORDINATED DEBENTURES OF BLAIR ATHOL FINANCE LIMITED

NOTICE IS HEREBY GIVEN pursuant to section 106 of the Companies Act 1985 (the "Act") that the following matters have been decided by the Board of Directors of Blair Athol Finance Limited (the "Company") on 24 June 1987:

1. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

2. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

3. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

4. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

5. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

6. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

7. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

8. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

9. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

10. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

11. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

12. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

13. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

14. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

15. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

16. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

17. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

18. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

19. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

20. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

21. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

22. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

23. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

24. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

25. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

26. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

27. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

28. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

29. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

30. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

31. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

32. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

33. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

34. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

35. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

36. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

37. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

38. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

39. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

40. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

41. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

42. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

43. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

44. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

45. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

46. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

47. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

48. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

49. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

50. That the Company should be wound up voluntarily in accordance with section 106 of the Act.

GENEVA

Full service is our business

* Law and taxation

* Mailbox, telephone and telex services

* Translation and secretarial services

* Formation, domiciliation and administration of Swiss and foreign companies

BUSINESS ADVISORY

SERVICE SA

Rue Muzey, 1207 Geneva

Tel: 36.05.40

Clubs

BVE has published the others because of a policy of fair play and value for money.

Members: 150. Regular fee: £1. 01-723

055-723

055-723

055-723

055-723

055-723

055-723

055-723

055-723

055-723

055-723

055-723

055-723

Little scope for military amends by Japan

By David Buchan in Washington

JAPAN could make political, very probably not military, amends, for having let strategically sensitive Toshiba technology reach the Soviet Union, by enhancing its contribution to an ongoing US-Japanese anti-submarine warfare research effort. US defence officials suggested yesterday.

This could be a cover under which Japan could contribute, without losing face over the compensation to the US government, that many Congress members are demanding. The defence Department is generally sceptical about any practical way in which Japan could redress the advantage many Soviet submarines now seem to have from quieter propellers made by Toshiba machines bought in 1983-84. Japan spends little on military research, and is proprietary about what military technology it has. It is claimed here, British sonar technology would be more use than Japanese in detecting quieter Soviet submarines, officials say.

The strategic effect of the Toshiba sale is described as "very harmful" with some reports that the range at which the US can detect some Soviet submarines has been cut from 100 miles to less than 10. "The Soviets have traditionally kept their missile submarines fairly close to their coasts—now they will probably have the confidence to go further afield," said one official.

Norwegians form new company

By Our Oslo Correspondent

THE NORWEGIAN Government has set up a company called KV Defence, from the wreckage of the now defunct Norwegian Industrial group Kongsberg Vapenfabrik, and as a means to protect its defence interests.

The decision to form the new defence company was taken after the Government had decided not to pump additional funds into the financially ailing state-owned company, which had several divisions.

The new company falls under the jurisdiction of the Ministry of Trade and has been funded with Nkr 600m (£23.5m) in shareholdings capital and Nkr 115m appropriated by the Norwegian Parliament.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

Assets of the former KV group are being leased by the newly-formed KV Defence. The composition, or "accord" procedure which the former Kongsberg Vapenfabrik group is undergoing, continues as a special Parliamentary committee which registers procedures with the various creditors.

On Tuesday, the Oslo bourse suspended trading in five outstanding bonds issued by KV, after the company had stopped paying interest and instalment payments on two loans to Norwegian banks. It is not yet certain what action will be taken by the bond holders, who are likely to meet soon.

THE TOSHIBA AFFAIR

Soviet machine sale rumpus nears clash

BY IAN RODGER IN TOKYO

THE SMOOTHER row between Japan and the US over the illegal export of sophisticated machine tools to the Soviet Union by a Japanese company suddenly appears to be nearing a dangerous confrontation. As in the case of the dispute over semiconductor trade early in the spring, it looks as if attempts by the two governments to resolve a thorny issue are being complicated by the growing public anger in the US against Japanese trading behaviour in general, and the tendency of the US Congress to reflect that anger.

This dispute, however, could become much more serious than the one over chips, in that it involves western security. Until this week, the Japanese Government thought it had dealt more than adequately with the illegal export of machine tools to the Soviet Union by Toshiba Machine Co. So the vote by the US Senate to block imports of all products from Toshiba group companies has not only shocked but angered Government officials.

A senior official of the Ministry of International Trade and Industry (MITI) said yesterday it was unfortunate that the Senate bill came in the midst of the Japanese government's efforts to tighten its screening of technology transfers to Soviet bloc countries, after the discovery of the Toshiba Machine offences. "It (the bill) might be rather counter-productive to our efforts to secure western security," he warned.

The Japanese Government is a member of the Co-ordinating Committee for Export Control (Coccom), an informal association of governments that sets rules to prevent the transfer of strategically important technology to the Soviet bloc. The Japanese Government's view of

Coccom is that it is a gentlemen's agreement and that each Government has the sole responsibility for punishing offenders under its jurisdiction. Tokyo also feels that a very severe punishment has already been imposed on Toshiba Machine.

The company has been prohibited from exporting to 14 Communist countries for one year. Last year, Toshiba Machine exported \$20m worth of equipment to these countries, and was expecting a similar level of sales this year. It must also pay any penalties

imposed by its Soviet bloc customers resulting from non-fulfilment of contracts through the ban. The Government will be watching carefully to make sure that it does not divert machines to other markets.

The Japanese feel that the Senate's move to apply a punishment to the entire Toshiba group is grossly unfair, as well as illegal. They say it betrays a serious misunderstanding of the way Japanese groups work. In this case, they say, even though the Toshiba group holds 50.1 per cent of Toshiba Machine shares, it does

not control the company in practice and seemed not to have been informed of the subsidiary's sales of machines to the Soviet Union.

This explanation appears to have convinced Mr Caspar Weinberger, US Defence Secretary, who visited Tokyo early this week for discussions on defence issues. He had previously announced that he would be seeking compensation for the damage caused by the Toshiba Machine sales, but he left Tokyo apparently satisfied with nothing more than a vague assurance that Japan would

help the US develop new ways to detect Soviet submarines. The row has also raised expectations that Japan will involve US companies in the development of a new fighter aircraft, rather than build a successor to its ageing F-1 aircraft on its own.

The US Congress and public, however, are less likely to be moved by arguments. Instead, they note that, just as the Senate was passing its anti-Toshiba bill this week, General Wojciech Jaruzelski, the Polish leader, was on an official visit to Tokyo seeking to arrange finances for the construction of a \$100m Japanese car factory in Poland.

Japan has mined a rich seam in trade with eastern European countries in the past few years. The country's exports to the Soviet Union and other eastern European countries have soared from a mere \$44m in 1970 to a peak of \$1.4bn in 1982. They were \$3.5bn last year.

Of various times, the products being exported to the Soviet bloc have been close to infringement of Coccom rules. On two occasions before the current Toshiba case, minor infringements were detected by the Japanese Government and modest sanctions applied.

However, MITI, which was responsible for enforcing the Coccom guidelines, continued to take a rather relaxed attitude to them. MITI's view, which was shared in some western European capitals, was that the Coccom rules were inconsistent and that many countries were judging infringements. Meanwhile, competition for Soviet bloc business was intensifying.

The ministry maintained an honour system, relying on companies to declare honestly what was involved when they applied for export permits. The inadequacy of that system has now come to light.



Rise and fall at Toshiba: (from left) Mr Jolichi Aoi, new president; Mr Sugichiro Watari and Mr Shochi Saba, newly resigned as president and chairman respectively

Resentment of Tokyo grows in Washington

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

"WHAT YOU are getting is a real growth of resentment, even the perception of a threat from Japan," said one Senate trade expert yesterday, after the passage of the sweeping legislation margin of 92-6 of legislation calling for punitive sanctions against Japan's Toshiba Corporation.

There is a sense that the Japanese decision to let us as a nation they are even willing to jeopardise our national security."

It has taken some weeks to gather steam but that resentment erupted on the Senate floor on Tuesday night, Senator Jake Garn, a conservative Republican, with the support of Senator William Proxmire, the

Democrat who chairs the Senate Banking Committee, offered an amendment to the omnibus trade bill calling for penalties against Toshiba and the Norwegian company Kongsberg for supplying the Soviet Union with computer-controlled machine tools.

The US alleges that the tools have helped Moscow improve the design of submarine propellers to make them quieter and much harder to detect, so damaging US security interests.

Senator Garn's bill had two objectives. One was to impose sanctions on the two companies, including their subsidiaries and affiliates, banning them from selling their

products in the US for two to five years.

The other was to strengthen the Export Administration Act to provide for sanctions to be imposed by the US in case of future violations, even though the alleged offences do not directly involve US companies.

What the amendment proposes in fact is that the president be required to take action when that, even if the trade bill were to fail, the legislation dealing with Toshiba and the associated tightening of the US Export Administration Act would remain as a stand-alone bill.

In the House, which overwhelmingly approved a resolution this year to demand compensation for the sales of the machine tools to the Soviet Union, legislation is also moving. It could be joined to the trade bill when the House and Senate go into conference on trade law reform, or it could move independently.

Some administration officials have expressed concern that, if the legislation were to pass, the US could face retaliation, either in the shape of similar legislation passed by other countries to monitor US enforcement of export controls or, more simply, trade retaliation.

The general feeling on Capitol Hill, however, was that the announcement from Tokyo about the resignations of the senior Toshiba officials was little to worry Congress, not least because it has come too late. Also, there is a widespread feeling that Mr Caspar Weinberger, the Defence Secretary, has misjudged the mood in Congress by announcing, after his recent visit to Tokyo, that Japan has adequately punished Toshiba. One Wash-

ington trade lawyer said yesterday the administration will have to impose a stiffer penalty on Japan to satisfy Congress.

As for the legislation itself, the sanctions against Toshiba and Kongsberg call for a ban on their exports to the US for between two and five years. However, the President is given the authority to waive partially the penalty for imports under contracts signed before May 1, for spare parts essential to US production and for essential defence procurement.

The scope of the sanctions could also be limited, at the President's discretion, to the extent the company or its subsidiary or affiliate was not implicated in the technology diversion, and if he can certify that the government's have implemented improved enforcement of coccom regulations and the firms themselves have implemented improved controls.

But the bill proposes that the sanction imposed by the US be commensurate with the defence cost arising from the diversion and that the parent company may only escape sanctions if suitable compensation is agreed. Similar language is also built into the part of the bill that would strengthen the US Export Administration so as to deter future violations.

Some trade experts yesterday were questioning whether the backward-looking part of the legislation, providing for punishment of Toshiba and Kongsberg for past failures, would be held constitutional if it imposed retroactive sanctions on firms that they would be constitutional because the president could act under emergency powers.

Oslo threat to links with Nato

BY KAREN FOSSLI IN OSLO

MR THORVALD Stoltenberg, Norway's Foreign Minister, reacted strongly to the US Senate's decision to impose trade sanctions against the defence company Kongsberg Vapenfabrik (KV) after its violation of Coccom regulations.

If trade sanctions were implemented, Nato co-operation between Norway and the US would become "very unhealthy," he said.

The foreign minister also stressed that his country was awaiting the outcome of the Senate's proposal and said that it was just "part of a process" in which President Ronald Reagan could intervene.

Mrs Gro Harlem Brundtland, Norway's Prime Minister, and

Mr Reagan recently exchanged views on the matter.

KV was found recently to have violated Coccom regulations when it co-operated with Japan's industrial concern Toshiba to export computer control systems to the Soviet Union. It is alleged by the US that this has damaged its security.

Kongsberg said it expected the decision by the Senate to affect the Penguin missile contract.

Kongsberg has a Nkr 275m (£25.5m) development contract, through the Norwegian Navy, from the US Navy to supply Penguin. Of the total, Nkr 65m is being used to

develop a new rocket motor in co-operation with Norwegian company Raufoss and the US-based Hercules company. The development contract, terminated at the end of 1983, or in 1988.

If the trade sanctions were imposed, KV would lose a contract for about 193 missiles, at Nkr 3.4m each.

The decision represents a serious threat to the new defence division.

If KV were to lose the US contract, it could also lose other contracts, including Australia, Canada and Spain.

They are interested in the Penguin but await US confirmation of the deal as a reference.

OTHER WORLD TRADE NEWS

Marriot to run hotel in Warsaw

By Leslie Collett in Berlin

THE Marriot International hotel chain will operate Poland's largest hotel in Warsaw, which is to be completed in two years.

UK NEWS

Lawson demotes status of economic body

BY HAZEL DUFFY

THE GOVERNMENT has decided to reduce severely the status of the National Economic Development Council in a move which signalled its abandonment of any lingering support for a tripartite approach towards the management of the economy.

Mr Nigel Lawson, the Chancellor of the Exchequer, told the monthly meeting of the council yesterday that the council would in future meet only four times a year. He would chair only the meeting, after the budget. The other three would be chaired by ministers from other departments, and it was likely that the Chief Secretary to the Treasury would attend those meetings in his place.

A sharp reduction in the activities of the National Economic Development Office is also in store. Ministers will assess which of the 35 economic development committees and similar bodies, which analyse and recommend action programmes for industry sectors, merit continued financial support by the Government.

He said this was expected to lead to a "significant reduction" in their number.



Nigel Lawson: fewer tripartite meetings

Trade union leaders attending the council were as angry over the manner in which the statement was made, without prior consultation, as its content.

They stressed that as a tripartite body, all parties to the council should have been consulted. Mr Norman Willis, General Secretary, described it as "a sad day for a common-sense approach to deal with some of our problems."

The trade unions are currently considering whether next month to withdraw from the tripartite Manpower Services Commission over the Government's changes to it and its job schemes.

Mr John Cassels, director general of Nedo, had been given no prior warning of Mr Lawson's statement. Although he refused at the post-council press conference to give his personal view on the move, he was visibly shocked.

The Confederation of British Industry, which is the third member of the council, welcomed the decision on the other hand.

Sir David Nickson, president, said that the monthly meetings of the council had led to issues for discussion sometimes being "manufactured" and that there would be "better debate" on the basis of quarterly meetings.

In reply to trade union criticism of his method of making the announcement, the Chancellor said it would have been a sham to consult when the Government had already made up its mind, adding that it was the Government which funded Nedo.

Editorial Comment, Page 14

Government clears way for Murdoch to take over Today

BY RAYMOND SNOODY

MR RUPERT MURDOCH, chairman of News International, yesterday took control of his fifth British national newspaper after the Government decided not to refer his bid for Today to the Monopolies and Mergers Commission.

Lord Young, Trade and Industry Secretary, said he had decided against referring the £36m deal to the commission and had taken the decision quickly because he was satisfied "the paper would not have lived" if there had been a referral.

Mr Murdoch set a 4pm deadline yesterday for the deal to be completed. Mr Tiny Rowland, chief executive of Lorch, which took control of Today a year ago, made it clear that the paper, which will lose £30m in the year to September, would close immediately if the Murdoch deal fell through.

Lord Young's decision caused anger in parliament. Mr John Smith, the shadow trade and industry spokesman, described the decision as "a breathtaking abdication of responsibility."

In the Lords Lord Bonham-Carter for the Liberals asked whether it was in Britain's interests that News International, which had 40 per cent of national press sales, should acquire a further title.

Earlier Lord Young had made it clear that normally his consent to newspaper takeovers could not be given without a report from the Monopolies and Mergers Commission.

"I can, however, give consent without such a report where I am satisfied that the newspaper concerned in the transfer is not economic as a going concern, is to continue as a separate newspaper and that the case is one of urgency," Lord Young said.

He was satisfied that the Today case met the special criteria.

Meanwhile the first woman to edit a national newspaper in recent times, Mrs Wendy Henry, was yesterday taking up the daunting task of editing the News of the World.

The vacancy was created when Mr Murdoch appointed the present editor Mr David Montgomery as the new editor and chief executive of Today.

Mr Murdoch's deal with Lorch includes the purchase of the stakes of two original Today shareholders British and Commonwealth and Ivory and Sims.

© The Nihon Keizai Shimbun of Japan, the world's largest selling financial newspaper, began printing in Europe yesterday for the first time.

The paper is being delivered by satellite to a newspaper plant at Heerde in the Netherlands. Because of the time differences readers in Europe will be able to receive their papers half a day earlier than Japanese readers. Nihon Keizai hopes to build up a European circulation of about 70,000.

South of England rated top in economic wealth

BY HAZEL DUFFY

THE ENRICHMENT of the south of England in terms of population and economic wealth is confirmed in the official annual regional breakdown of national statistics published today.

These show that, even if there is not a rigid North-South divide, the incidence of disadvantage is considerably greater in regions outside the south. This is measured in terms of dependence on social security, the likelihood of being unemployed and numbers leaving school without qualifications, all of which is pushing people to move to the south if they can.

While the population of the UK increased by 1.5 per cent between 1980 and 1985, there were small falls in the North, North West and Scotland as a result of substantial net outward migration.

which is pushing people to move to the south if they can.

While the population of the UK increased by 1.5 per cent between 1980 and 1985, there were small falls in the North, North West and Scotland as a result of substantial net outward migration.

All regions apart from these three saw a net gain in population from international migration. But only Wales, East Midlands, East Anglia and the South West did not lose from population movements between regions.

Telephone 'failings' may prompt penalties

By Nick Garnett

THE OFFICE of Telecommunications (OfTel) is considering the introduction of a financial penalty against British Telecom because of its record on repairing faults and installing new equipment for business users.

The penalty would be in the form of further restrictions on the ability of BT to raise prices, which at the moment can be increased by no more than the retail price index, minus 3 per cent.

The warning to BT is made by Professor Bryan Carsberg, director general of OfTel, the regulatory body for the British telecommunications industry in his annual report, published yesterday.

Prof Carsberg says he has received a number of complaints about BT's practice of excluding liability for losses incurred by customers as a result of the group's failure to provide a service at the agreed date or because of a fault in the service. This is included in an exclusion clause in BT contracts.

"I take these complaints very seriously and I am concerned about the situation," says Prof Carsberg. "I am also concerned that BT has insufficient incentive under the present arrangements to repair faults quickly and to accept a contractual commitment for dates for providing new service."

"I am considering the case for making its performance in this regard an explicit in the price control formula."

OfTel is expected to issue a consultative document in the form of a questionnaire among some users about this issue, although Prof Carsberg makes no reference to this.

He refers to the OfTel report last year which noted that BT's service quality had been at least constant and perhaps slightly improved over the past few years.

However, he expresses concern about some parts of the service, including call-boxes and directory inquiries. He also reaffirms his view that BT should introduce itemised billing. British Telecom announced last year that it was conducting a trial into this.

Ridley denies link between community files and voting list

BY PETER RIDDELL, POLITICAL EDITOR

REGISTRATION for new community charges to be payable by all adults will be kept separate from that for voting, Mr Nicholas Ridley, the Environment Secretary, said last night in response to Labour charges that there would be a tax on voting.

However, he admitted that cross checking by local authorities between the annual electoral register and the community charge register was possible because the electoral register is publicly available.

He said that the Government would press ahead with the new charge, and that "many people voted for us on the basis that we would introduce the community charge. We should not let them down, and we will not."

The community charge will replace rates (local property taxes).

Mr Ridley said that the allegation that the change would mean people paying to vote, was groundless, because the right to vote would not depend on registration for, or payment of, the community charge. Equally, it would not be possible to avoid registration for the charge by failing to register to vote, and there would be two totally separate registers compiled on different bases.

During the continuing debate on the Queen's Speech, Mr Ridley sought to reply to the recent criticism of the proposed replacement of domestic rates, not least from ex-ministers and Tory backbenchers. He defended the planned charge on the grounds that it would give a

much clearer signal to voters about the level of services.

Mr Ridley repeated re-assurances that those on low incomes would be protected both by the 80 per cent rebate and the uprating of income support benefits by the equivalent of 20 per cent of the average community charge nationally.

Mr Ridley also gave more details of the proposals on water privatisation. He said a preparatory paving bill early this session would permit compulsory trials to be undertaken of water metering for households. At present any metering is voluntary. He said this experiment would allow the impact of metering on demand and consumer behaviour to be tested.

The Government has not yet taken a decision as to whether it will be possible to include a second long-term bill on water privatisation in the current session. But Mr Ridley said this looked "somewhat unlikely" in view of the need for consultation on revised proposals.

The Government's determination to tackle the inner cities was underlined yesterday by Mr Ridley and Mr Norman Tebbit, the Conservative Party chairman. In a party speech in London, Mr Tebbit said the Tories had to bring their message to people who "who not so far shared fully in economic progress," in the north of England, Scotland and the inner cities.

Short Brothers walk-out

BY OUR BELFAST CORRESPONDENT

ABOUT 2,000 workers, almost a third of the labour force, walked out of the state-owned Short Brothers aircraft factory in Belfast yesterday over the flying of union flags and other Ulster Loyalist emblems in the plant.

The dispute was sparked when the management of the company, which has a predominantly Protestant labour force, removed flags put up by workers in preparation for the commemoration of the Battle of the Boyne on July 12, one of the key dates in Irish Protestant history.

Initially, about 700 workers stopped work but the numbers

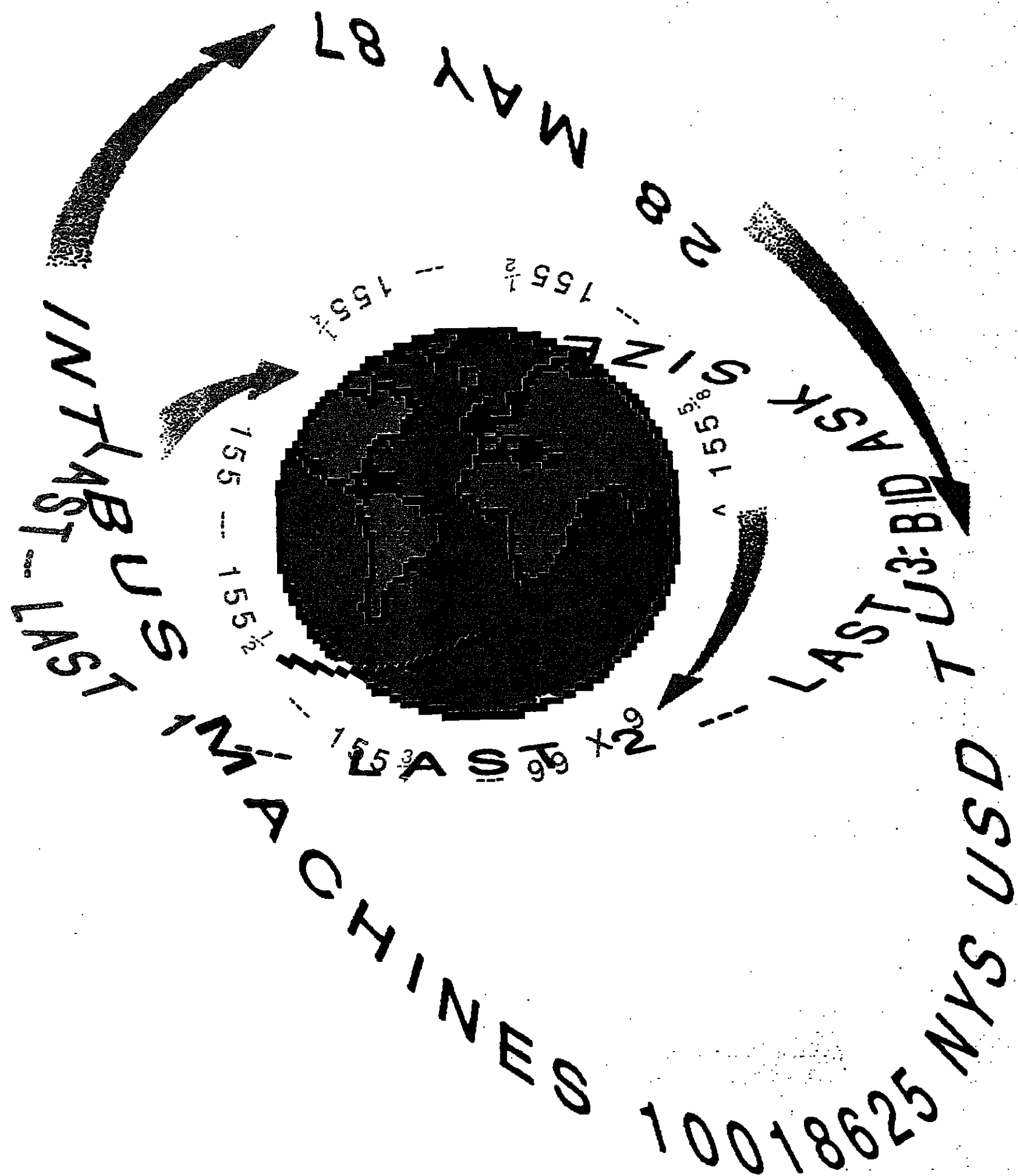
swelled to about 2,000 at lunchtime and they left the factory.

The workers claimed that the company had designated certain areas where flags could be flown after a similar dispute last year. The company denied there was any such agreement.

Sir Philip Foreman, chairman and managing director, said in a letter to all employees the company had a legal obligation to provide an atmosphere free from intimidation. If it could not guarantee this, the management would have no alternative but to shut down the affected areas.

Come to Marlboro Country.

Marlboro, the number one selling cigarette in the world.



UK NEWS

Judge attacks deals that undermine City

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

IF INSIDER dealing was not stopped it would destroy confidence in the integrity and efficiency of the London financial market and its ability to attract investment capital, a judge in London was told yesterday.

That, said Mr Robin Auld, QC, was where the mischief lay in insider dealing offences committed by Mr Geoffrey Collier, the former joint managing director of Morgan Grenfell Securities, part of the Morgan Grenfell merchant banking group.

Mr Collier admitted two charges involving shares in the AE engineering group and Cadbury Schweppes. Four similar charges were left on the file.

In August, 1986, Morgan Grenfell was asked by a US "predator", General Cinema Corporation, of Boston, which was interested in taking over Cadbury Schweppes, to build up a 4.9 per cent holding in Cadbury, paying up to 230p per share.

After Morgan Grenfell had started buying there was press speculation about a possible bid and buying was temporarily stopped.

During the lull, Mr Collier telephoned a friend and former business associate in the US, Mr Michael Cassell, a stockbroker with Vickers Da Costa, and asked him to buy £30,000 of Cadbury Schweppes shares for him.

Mr Cassell ordered call option contracts for shares for himself and Mr Collier, the transaction being done in the name of a Cayman Island company, Pure Investments.

Pure, Mr Auld told Mr Justice Fargher, was never spelled backwards. It had been formed by Mr Cassell and Mr Collier when they jointly bought an apartment but subsequently became controlled

by Mr Collier alone. The shares, in which Mr Cassell and Mr Collier had invested between them £45,775, were sold at a loss of £15,000 when the price fell.

Turning to the AE dealing, Mr Auld said that last November Mr Robert Maxwell had been interested in making an agreed bid for AE through Hollis, of which Mr Maxwell was a director.

On Sunday, November 2, Mr Collier and his fellow joint managing director of Morgan Grenfell Securities, Mr Richard Holmes, attended a meeting at the Daily Mirror building at which the bid was discussed.

By the time he left the meeting Mr Collier knew that a bid for AE would almost certainly be announced early the next day and that, if it was to be announced, Morgan Grenfell would be instructed by Mr Maxwell to go into the market and buy AE shares at up to 230p per share before the announcement.

That night, said Mr Auld, Mr Collier stayed at Mr Holmes' house near London. At 6am the following morning Mr Holmes was telephoned and told that a bid was to be announced. "At about 6.15am, without Mr Holmes' knowledge, Mr Collier telephoned Mr Cassell in Los Angeles and told him to buy AE shares as soon as possible," Mr Auld said.

Mr Cassell placed an order on behalf of Vickers da Costa with London brokers Scrimgeour Vickers for 80,000 AE shares at a price up to 230p. The transaction was booked in Vickers da Costa's records in the name of Pure Investments.

At 8.30am the agreed bid was announced, AE's shares shot up and Mr Cassell sold for £150,000, making a gross profit of £15,000.

THE CONVICTION of Mr Geoffrey Collier is the most spectacular success of the Department of Trade and Industry (DTI) since insider dealing was first made a criminal offence in June 1981.

Before the Collier case, the DTI, although being presented with more than 100 cases of suspected insider dealing by the Stock Exchange since 1981, brought to trial only seven cases against nine individuals. Of these, four were acquitted and five convicted.

None of those prosecuted worked in the City of London, although one worked for a firm of Edinburgh investment managers. The most prominent person convicted, in April of last year, was Mr Maurice

Naeger, a former retail sales director of W.H. Smith, who bought shares in Martin the Newsagent shortly before it was the target of a bid from W.H. Smith.

Mr Naeger was fined only £200 although he made £3,000 profit from the transaction. The other sentences imposed on those convicted on insider dealing were similarly light, one absolute discharge, one six months suspended prison sentence, and fines totalling £9,000 imposed on a husband and wife.

The DTI has brought so few prosecutions either because it has failed to find proof that the suspect had genuine inside information when he dealt or because the Stock Exchange was unable to discover

the true beneficial owners behind offshore tax haven companies that carried out the suspicious deals.

However, last year's Financial Services Act has given the DTI inspectors far-reaching powers to compel witnesses to give evidence and supply documents.

The Collier investigation was the first in which these powers were made available to the DTI. Indeed, it appears that the sections of the Act granting the powers were brought into force two months ahead of schedule primarily to facilitate the Collier investigation.

In fact, the main case against Mr Collier was unprecedentedly straightforward and needed no spe-

cial investigative powers. He was made aware of the pending bid for AE just the day before it was announced and his purchase of AE shares worth £117,000 was carried out less than an hour before the announcement. More important, when confronted by Morgan Grenfell with the evidence of his crime, he signed a written confession.

However, the DTI inspectors were able to show more initiative by going back through the records and finding several other cases of suspected insider dealing. Mr Collier originally denied that he had carried out any other deals. However, the way in which he purchased AE shares through his offshore company by making a telephone call to Los Angeles suggested self-con-

dence bred out of familiarity with the procedure.

Thus, the Collier conviction has not really tested the effectiveness of enhanced powers of the DTI. But another investigation, into suspected insider dealing by officials at the Office of Fair Trading, which has failed to yield any results after seven months, suggests that the tougher investigation powers may not be sufficient to tip the scales against offenders.

However, the DTI has indicated that some other investigations that its inspectors are conducting into suspected insider dealing are likely to result in criminal prosecutions.

Since the Big Bang reforms last October, the Stock Exchange too has become more efficient in detect-

ing suspicious price movements by electronic means using a system similar to that employed for several years by the New York Stock Exchange. It has also become more selective in the cases it has passed on to the DTI. Cases based on flimsy circumstantial evidence have not been submitted.

However, Sir Nicholas Goodison, Stock Exchange chairman, is currently embroiled in a dispute over insider dealing investigations with The Securities Association, the proposed new self-regulating organisation under the Financial Services Act. The dispute concerns which organisation should have responsibility for carrying out the initial investigations into insider dealing under the new regulatory structure.

Clive Wolman looks behind the Collier conviction

First victim of tougher Whitehall powers

Securities chief broke dealing rules on previous occasions

MR GEOFFREY COLLIER, breached Morgan Grenfell's dealing rules on several other occasions. On one occasion last year, he bought more than £1m worth of shares in a company that was designated as a takeover target by a company which was a corporate finance client of Morgan Grenfell.

As to the deal for which he was convicted, he carried out the

transaction through Pure, his Cayman Islands company, and used the services of Mr Michael Cassell, who was based in the Los Angeles office of Scrimgeour Vickers, the stockbroking firm for which Mr Collier used to work.

The bid duly materialised. However, unusually the share price failed to rise substantially -

and Mr Collier was forced to sell the shares at a loss within the stock exchange account period, as he lacked the money to pay for them by the Stock Exchange's settlement date.

Shortly afterwards, he bought another tranche of shares in the same company, on this occasion worth about £220,000, shortly before the Morgan Grenfell client

raised the value of its offer. However once again the share price failed to rise and Mr Collier was forced to sell the shares at a loss.

The other deal in which Mr Collier broke Morgan Grenfell's dealing rules was in November 1985 when he spent about £250,000 buying the shares of Exco International, the money-broking firm.

This was shortly after Tan Sri Khoo Teck Fuan, the Malaysian financier, bought a 22 per cent stake but before Khoo increased his stake further and clarified his intentions. Mr Collier sold the shares within a short period at a profit.

No charges were brought against Mr Collier for any of these deals as the inspectors of the DTI found no sufficient evi-

dence that would have proved beyond all reasonable doubt that Mr Collier carried out any of the three deals on the basis of inside information.

However, each of the deals breached Morgan Grenfell's in-house rules as Mr Collier failed to get permission to carry them out and failed to disclose them after the event.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Ind. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemp.	Vacs.
1986							
1st qtr.	100.1	100.0	100	110.2	140.0	3.171	100.5
2nd qtr.	100.3	100.6	100	111.5	154.0	3.282	176.6
3rd qtr.	111.0	105.0	100	122.7	158.7	3.282	200.2
4th qtr.	110.8	107.5	111	126.5	194.5	3.441	213.0
October	110.8	106.7	112	125.0	188.5	3.169	211.5
November	111.2	107.4	110	127.5	183.9	3.148	215.2
December	110.4	107.7	114	126.7	224.0	3.119	210.0
1987							
1st qtr.	112.1	107.0	100	125.4	177.0	3.073	210.4
January	111.1	105.6	114	123.5	180.4	3.114	210.2
February	112.9	107.9	100	127.0	184.5	3.088	207.1
March	112.3	107.5	100	126.5	187.5	3.040	210.6
April	112.6	108.1	100	126.0	186.0	3.018	213.0
May				125.7		3.054	211.5

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invest. goods	Intermediate goods	Eng. output	Metal mfg.	Textiles	Housing starts
1986							
4th qtr.	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1st qtr.	100.2	101.5	101.4	101.5	110.4	100.2	14.2
2nd qtr.	104.7	100.6	115.4	105.1	110.1	100.5	19.0
3rd qtr.	106.5	101.4	117.4	105.4	107.5	100.5	18.0
4th qtr.	100.0	100.0	115.0	100.0	110.0	100.0	18.0
September	100.7	100.1	115.5	100.0	108.0	100.0	18.4
October	100.0	100.0	115.0	100.0	110.0	100.0	18.0
November	100.0	100.0	115.0	100.0	110.0	100.0	18.0
December	100.0	100.0	115.0	100.0	110.0	100.0	18.0
1987							
1st qtr.	100.4	100.7	115.0	100.5	110.0	100.5	17.3
January	100.0	100.0	117.0	100.0	107.0	100.0	15.7
February	100.0	100.0	115.0	100.0	105.0	100.0	15.0
March	100.0	100.0	115.0	100.0	110.0	100.0	20.0
April	100.0	100.0	115.0	100.0	110.0	100.0	20.0
May	100.0	100.0	115.0	100.0	110.0	100.0	20.0

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve
1986							
1st qtr.	117.5	124.0	-1,237	+400	+1,000	101.0	18.75
2nd qtr.	117.5	124.0	-1,237	+400	+1,000	101.0	18.75
3rd qtr.	122.0	128.5	-2,570	-301	+940	100.1	20.14
4th qtr.	130.5	143.4	-2,000	-708	+940	100.5	21.97
September	126.2	130.3	-2,311	-124	+238	100.3	22.42
October	127.0	130.6	-715	-100	+238	100.3	21.00
November	125.0	140.7	-1,000	-204	+238	100.3	22.01
December	131.0	143.0	-307	-272	+238	100.1	21.00
1987							
1st qtr.	131.0	132.2	-1,328	+400	+1,104	100.5	22.75
January	124.0	131.4	-517	+53	+383	100.5	21.00
February	130.4	130.0	-202	+300	+320	100.4	22.50
March	126.0	130.0	-417	+123	+404	100.5	27.04
April	130.0	137.1	-304	-86	+410	100.4	20.01
May							24.00

FINANCIAL—Money supply M0, M1 and M3 (three months' growth at annual rate); bank sterling lending to private sector; building societies' net inflow; HPI, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending	HPI	New credit	Rate %
1986							
1st qtr.	4.1	21.4	10.3	+4,300	2,320	7,375	11.00
2nd qtr.	2.1	23.0	27.3	+4,450	1,433	7,730	10.00
3rd qtr.	5.0	26.2	15.4	+4,000	100	5,223	10.00
4th qtr.	7.0	11.2	14.1	+10,331	2,014	1,770	11.00
October	6.3	10.1	14.5	+3,450	1,901	2,700	11.00
November	4.4	26.4	10.0	+5,247	100	2,235	11.00
December	10.3	0.0	0.1	+3,104	700	2,204	11.00
1987							
1st qtr.	1.2	20.0	20.2	+4,000	1,475	2,001	10.00
January	7.7	10.1	12.5	+1,000	400	2,000	11.00
February	0.1	10.0	7.0	+2,070	470	2,040	11.00
March	-3.0	22.0	20.4	+2,000	547	2,235	10.00
April	0.1	20.7	22.0	+2,000	527	2,000	9.00
May	0.0	27.2	22.7	+2,740	001		9.00
June							9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels; wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1970=100).

	Earnings	Basic materials	Wholesale	RPI	Food	Reuters	Sterling
1986							
1st qtr.	170.1	132.4	143.4	90.5	90.9	1,000	70.1
2nd qtr.	184.0	125.0	142.7	97.5	90.7	1,716	70.1
3rd qtr.	187.4	120.0	142.0	97.0	90.5	1,404	71.0
4th qtr.	181.0	120.0	141.0	90.1	90.1	1,000	60.0
October	180.0	120.0	141.0	90.1	90.1	1,000	60.0
November	181.0	120.0	141.0	90.1	90.1	1,000	60.0
December	181.0	120.0	141.0	90.1	90.1	1,000	60.0
1987							
1st qtr.	180.1	120.0	140.0	90.0	90.0	1,000	60.0
January	180.0	120.0	140.0	90.0	90.0	1,000	60.0
February	181.0	120.0	140.0	90.0	90.0	1,000	60.0
March	181.0	120.0	140.0	90.0	90.0	1,000	60.0
April	181.0	120.0	140.0	90.0	90.0	1,000	60.0
May	181.0	120.0	140.0	90.0	90.0	1,000	60.0
June							60.0

* Not seasonally adjusted.

† From January 1986 includes amounts outstanding on credit cards.



Westland.
We fly 1.5 million passengers across the Channel each year.

Indeed, since 1979, Westland have carried nearly 30 million people across the English Channel.

All at a cruising altitude of just five feet.

No mean feat, we think you'll agree, for a "West Country helicopter company."

Until you realise that British Hovercraft Corporation is, in fact, a Westland company.

And that our hovercraft technology is every bit as advanced as our world-leading expertise in helicopters.

In fact, wherever there are problems created by extreme conditions, you'll find Westland pioneering high technology solutions to them.

From testing agricultural efficiency in the Third World to designing launch vehicles for the European Space programme.

From nuclear submarines in the Atlantic Ocean to coal mines in China.

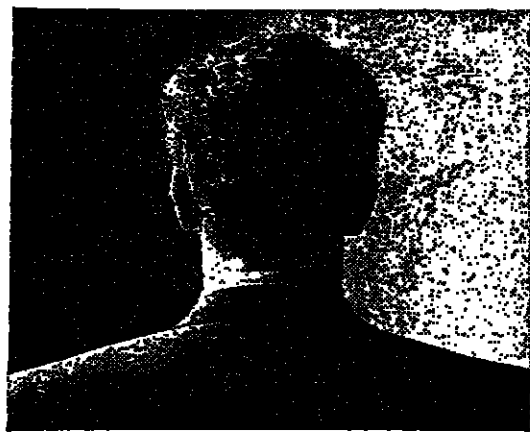
It's a lot to carry.

But then our shoulders are rather broader than a lot of people think.

Westland. It's twice the company you've been led to believe.

Westland Group

FOR FURTHER INFORMATION ABOUT THE WESTLAND GROUP AND ITS ACHIEVEMENTS, PLEASE CONTACT KAYE BRADFORD, WESTLAND GROUP PLC, YEOVIL, SOMERSET, ENGLAND. (TELEPHONE 0535 75222)



**I buy your products.
I like them.
I like what your
company stands for.
Why won't you
talk to me?**

Most marketing people would happily agree that talking directly to customers would have certain obvious attractions. Those same marketing people would be equally sceptical of the idea that it's even possible, let alone cost effective, if you have more than a few dozen customers to deal with.

Yet TMS have been helping companies talk directly to their customers, and helping customers talk directly to them, for some years now.

Companies like IBM, UDT, Color, Radisson and many others, all of whom number their customers in the thousands.

TMS is British Telecom's Telephone Marketing Services. And with the massive backing of BT behind us, we alone have the technology and resources required to cope with extremely high levels of customer communications.

But infinitely more important, we have the people and the skills to turn it into a genuine personal dialogue, rather than a clichéd sales pitch.

For TMS, for example, we helped them deal with up to 12,000 people a day wanting to know about their flat.

We helped Harrods look after 3000 New Yorkers ringing up London to buy Christmas clothing.

We helped Morgan-Graham to 6000 travel agents to ask their views on making improvements to the famous Travel Trade Gazette.

We can help your company talk to its customers with equal ease. We can help you in the process of contacting them. We can help you in the process of when they want to contact you.

And our help comes in a variety of forms. It can be as simple as operating a Linkline 0800 number for you, or as complex as setting up a complete department, including budget plans, hardware, software and even staff training.

With our own resources, we can supply you with people and the systems to look after any size of operation, 24 hours a day, from a few calls a week to over 20 thousand in a day.

TMS can also sit down with you and discuss what's possible, how it can be done, what it will cost, and ways of getting more out of the gentle art of customer dialogue.

Like most companies who talk to us, they're initially surprised at the scale of what can be done, and at the expertise we have developed at doing it.

Find out more about how TMS can help you. Talk to us now on 0800 444 144 (it's free), and we'll send you further information, including some fascinating case histories. Or one of our people can come and see you personally to discuss your company's special needs and answer any questions. And, if you're ready to make plans, we'll give you expert advice to help you get the most from talking to your customers.

Talk to TMS now. Or return the coupon today.

TMS

Talk to me. 0800 444 144

Telephone Marketing Services, 95 Ebury Bridge Road, London SW1W 9RL; Middlegate, Whitliffe, Levens Road, Bristol BS1 2LW

Please tell me more about how TMS can help my company talk to customers.

Name

Position

Company

Address

Postcode Tel. No.

Type of business

No. of employees

Put in an envelope (no stamp needed) and post to:
British Telecom, Telephone Marketing Services
Freemantle (BS 3300) British Telecom

UK NEWS

HELICOPTER CRASH REPORT DESCRIBES MECHANICAL FAILURE

Call for Chinook fault monitoring

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE INTRODUCTION of a monitoring system for mechanical faults in Boeing Chinook helicopters is recommended in the report of the official inquiry into last November's crash of one of the aircraft off the Shetland islands, north of Scotland, in which 45 people died.

The report argues that such a monitoring system would have given the Chinook pilot at least 30 minutes' warning of any mechanical malfunction, enabling him to take action to avoid the crash, such as an emergency landing on the sea.

Sheriff Principal Stewart Bell, in charge of the accident inquiry, says in his report to the Transport Secretary that Captain Pugh Vaid, the

Chinook pilot and one of the survivors, was blameless.

The report finds that the accident was caused by the failure of the spiral bevel ring gear in the forward gearbox of the twin-rotor aircraft, which caused a chain of events leading to the crash.

A combination of corrosion and fretting had caused a groove to form in the gear wheel. This provided a site for the spread and growth of fatigue cracks and the fracture of the ring gear. This in turn led to the blades of the twin rotors losing synchronisation. They collided and the helicopter crashed.

Mr Bell stresses the urgency of the need for monitoring systems and said he was taken aback by the

suggestion that their development might take five years.

"I am advised that condition monitoring is not a new principle. Its introduction would be expensive. Considerations of expense should be far outweighed by considerations of safety for persons travelling in helicopters."

The report says that British International Helicopters, the Chinook operator, carried out the maintenance of the Chinook according to the instructions of Boeing Vertol of the US, the machine's manufacturer.

Mr Bell poses two questions: were any fretting corrosion tests carried out by the manufacturers, and if not, why not?

He says that the absence of evidence from Boeing Vertol made consideration of these matters more difficult. Such tests, he says, would have been desirable.

The Chinook Disaster Legal Group, representing lawyers acting for the victims, said yesterday it was satisfied with the inquiry's outcome.

The next stage of the legal battle to win compensation will be a debate on whether claims should be heard in the US rather than the UK.

Lawyers for the victims' families argue that the maker of the Chinook has its headquarters in Pennsylvania and that the case should therefore be heard in the US.

Coal-burn incentive for industry

By Maurice Samuelson

BRITISH COAL is offering to supply coal to industry on a "pay as you burn" basis in order to win business from oil now that the Government has stopped financing conversion of factories to solid fuel.

The scheme is part of a financial package aimed at minimising the cost of installing expensive new coal-burning equipment which, until this week, had been supported by grants from the Department of Energy.

British Coal's quest for more industrial business, already reeling from collapse in oil prices over the past two years, was further jeopardised last November when Mr Peter Walker, then Energy Secretary, said that from the end of June this year the Government would scrap the system of grants covering up to 25 per cent of the cost of installing coal-fired boilers and related equipment.

Since then, Mr Malcolm Edwards, British Coal's commercial director, has been trying to put together an alternative financial scheme which would tempt industrialists to change to coal with.

Since 1982, the Government had allocated £75m, in grants for conversion to coal from oil and gas, encouraging companies to invest more than £300m, in new boiler plant and boosting coal orders by about 3m, tonnes a year.

Advanced Harrier draws interest

BY OUR AEROSPACE CORRESPONDENT

THE ROYAL Air Force and other European air forces are already showing interest in the proposal by British Aerospace (BAe), Rolls-Royce and McDonnell Douglas of the US to develop a new, advanced version of the Harrier vertical take-off fighter.

The new aircraft, first announced at the recent Paris international air show, will be a development of the Anglo-US AV8B Harrier II, of which 326 aircraft are on order for the US Marine Corps (with some 72 already in service) in a programme worth more than \$5bn, and 62 on or-

der for the RAF in a \$1bn programme.

The first AV8B Harrier II was handed over to the US Marines in 1984, but the first of these aircraft for the RAF (which calls them Harrier GR Mark 5s) was handed over yesterday at a ceremony at BAe's Doncaster, Surrey, airfield.

Although the Harrier II programme still has many years to run, with additional sales still being sought worldwide, the three manufacturers involved now feel that they have sufficient improvements available in engines and systems to

offer an even more advanced version, for an even wider variety of missions, for those air forces that need it.

The new version, which is still only in the earliest concept planning stage, will feature an upgraded Rolls-Royce Pegasus engine, giving 3,000 lbs more thrust at 24,700 lbs.

It will also include an advanced radar enabling a wider variety of tasks to be performed, including air and fleet defence, surveillance, and anti-ship attack, as well as the close air support and light attack roles of the AV8B itself.

EC doubles regional jobs loan fund

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

THE AMOUNT of money for cheap loans for job creation in Europe's steel and coal closure areas has been more than doubled to £280m, the European Coal and Steel Community said yesterday.

At the same time, rules have been tightened to shift the emphasis towards smaller, growing companies employing under 500. The scheme - under which some loans will be available at interest rates as low as 5 per cent - will be run by banks and other financial institutions.

Details of the scheme are different in some respects from those announced yesterday by 31, the venture capital group, and reported in the FT.

Demand for the loans - which must go towards capital spending -

rose to twice the £130m that was available previously, but the bulk of that money went to big companies.

These will still be able to apply for the loans but smaller companies will get them more cheaply - a subsidy of 3 percentage points on interest rates rather than 2 points.

They will also be helped by another rule which makes terms more favourable for the first 75 jobs created. Two-thirds of these will qualify for calculating the total subsidy, while only half the new jobs above the break point of 75 will do so.

The way the scheme works is that the number of qualifying jobs is multiplied by 20,000 ECUs, currently worth £14,000. This gives the amount that can be lent, at the cheap rate - up to a ceiling of half

the capital costs of the project concerned.

The gross interest rate charged will depend on location, with the normal rules of selective regional assistance applying. For qualifying applicants, the gross rate may be as low as 8 per cent, with the Department of Trade and Industry underwriting currency losses that may arise from the Community raising the money initially in countries with low interest rates.

The biggest operators of the scheme in the UK are Barclays, NatWest and 3i - the venture capital group owned by the Bank of England and the main clearing (commercial) banks which lent £110m over 10 years under the old rules. The leading Scottish banks will be acting for their clients.



MANAGEMENT: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

NORTH AMERICAN advertising agencies are in a state of flux. The cream that once flowed freely from contented clients is diluted, and less of it is being tipped into the traditional agencies' pails. Ironically, Martin Sorrell's WPP buy-out of J. Walter Thompson Inc. could be the right move at the right time. Companies' promotion budgets are shifting to areas other than advertising, so agencies with their broad client bases are positioned to play a focal role in this broadening of the communications process.

Nonetheless, the diversification of clients' needs has caught some large agencies napping. The signs were there over five years ago, as major advertisers like General Foods, Gillette, and Colgate began shifting larger amounts from the classical advertising shops towards sales promotion and direct response. But it is only in the last year or so that the major agencies have had the services in place.

"For years agencies have done business by rote," says Julian Clapet, chairman of Ogilvy and Mather Canada. "We haven't really fulfilled the unfulfilled needs of our clients. We have offered essentially the same services for the last 20 years. Because of the commission system we have been able to run accounts without financial consequences because it has all fallen through to the bottom line."

Now, that commission is under serious attack: last week's news that General Foods, which spends around \$350m a year in advertising in the US media, is cutting back on commission to its agencies, is strengthening the incentive to move into the higher profit segments.

Industry figures show that over the past five years media advertising has dropped from 43 per cent of the total budget of major marketers to around 35 per cent last year; below the line consumer promotion, however, has jumped from 23 per cent in 1982 to 33 per cent last year, while trade promotion has remained steady at 34 per cent.

In 1985, marketers spent a total of \$85bn on the two elements of sales promotion (trade and consumer) in the US, against \$55bn on advertising—and the gap is widening. "You don't have to be a financial genius to realise that if you want to participate in a growth area, you ought to acquire that ability," says Mitchell Kurz, a senior corporate vice-president at Young & Rubicam, New York. "Now we take a portfolio manager's approach to our clients' communication needs." It was only six months ago that Kurz added the title of director of inte-



When the client wants jam today

Tony Thompson on the changing recipe of the promotions cake

grated marketing, reflecting Y&R's realisation that clients were demanding more than an advertising agency.

For some years Y&R has owned two major direct response shops: Wunderman International and Stone & Adler Direct; Cato Johnson, a consumer promotions house; and Burson Marsteller, the international public relations company. Last year Y&R brought the direct response and promotions units together internationally under the newly formed Young & Rubicam Advertising company. Burson was not included because of client conflict.

"Those agencies that only have an advertising capacity tend not to be very objective at the planning stage when budgets are being set," says Kurz. "Naturally, they will say that the majority of funds should be spent in advertising. An agency with more units can be a lot more objective."

Clients themselves are aware of the change. Procter & Gamble, which last year, with its Richardson-Vicks acquisition, spent \$1.35bn in media advertising, believes there is a continuing long-term trend away from media advertising. A P&G report noted that retailers were concentrating on special promotions and in-store help in moving products, which they

see as better use of money than traditional advertising.

A wide range of services is what clients now appear to be seeking when they hunt for a new agency. It was having a variety of units that helped O&M Canada win the C&M Glaxo account in May. Glaxo's vice-president of marketing, Paul Lucas, said at the time that O&M had been chosen because "we needed one agency to work on all aspects of our marketing mix."

The changes in emphasis are particularly noticeable in Canada because the country is "sufficiently large to be sophisticated, but sufficiently small to recognise those changing needs," says Ogilvy's Clapet. During 1986, 45 per cent of O&M Canada's turnover was outside the traditional advertising business and in other communications activities.

The switch in emphasis could be bad news for the smaller national agencies for which danger signals have been flashing for years. Not only do they lack the resources of the multinationals but in Canada, certainly, the resources are not even available. About five years ago when direct response started to become a marketforce in Canada, there were too few experienced Canadians to meet the demand. The problem was simply solved

by the multinationals—they just shipped their ready-made companies to Canada, complete with trained executives to run them.

Now, in the words of Jim McCoubrey, chairman of Y&R Canada, "sales promotion is moving from being a cottage industry in a small entrepreneurial endeavour into more of a network operation. This moving more money below the line is a reflection of companies' needs to get sales today."

Without a network the smaller shops will either have to hope for a merger with those larger ones that can offer a fuller range of services. Everett Eiting, chief executive of Grey Advertising (once the world number one in billings) Canadian arm remarks: "I think there was room for smaller shops as big agencies became too big to fill specialised needs. What we at Grey have tried to do is to focus on these specialised areas. If we are successful, and if other agencies are, then there will be less room for the smaller agencies."

The threats to the small shops are coming from all directions. Saatchi & Saatchi DFG Company, already well established in the US through acquisitions (Ted Bates being the latest), has lost little time broadening its Canadian operation to meet the new demands

of its clients, says Saatchi's chief executive in Toronto, Peter Green. Shortly after it entered the country through a purchase of a Canadian agency, Saatchi opened a direct response shop. Then it added Umbrella, a graphic design studio; Blue Moon, a casting and film production studio; and in the past few months, Talador, a sales promotion house. Still to come are public relations and possibly a research unit.

Saatchi calls in the head-hunters when it opens a new unit. Green says it has a policy of not transferring executives between disciplines. "In the past agencies have taken an account director and said, 'OK, now you're a PR guy.' We have hired people from outside to do this."

At Ogilvy there has been a trend to move people from the agency as traditional advertising budgets lose to the other services. Instead of finding themselves jobless, Ogilvy executives are often offered career opportunities in other parts of the organisation.

Y&R has what the agency calls a "swappers programme," where executives spend time with other companies to learn how they fit into the total marketing mix.

But, for all the enthusiasm about the present trends, some have reservations about their long-term durability.

Businesses are increasingly sales and service intensive, tending to be driven by one or two people who work seven days a week," says McCoubrey. "Essentially it is a creative business. If you lose those people, then you are out of business. Sales promotion is not a transferable science; it doesn't have the 'black box' that public relations, direct marketing or the advertising business has."

"The longer term outlook has to be for people to establish their brands or their companies properly. To be in a war for a short-term incentive for a consumer purchase leads nowhere. I'm very confident that this is a short-term phenomenon, and in the longer term we will see better targeted advertising in support of brands taking over and the dropping percentage of dollars now going to advertising for the general marketing mix will be reversed and advertising will take an increasing share."

However, there will be little double cream around the advertising agency executive offices for a while yet. Except perhaps for Martin Sorrell. His WPP Group, with its purchase of WRT, now has a rich herd of clients for WPP's sales promotion business. Whatever WPP's intentions, most people agree, they'll draw off some pretty rich milk.

Customer relations

Beware alternative suitors

Michael Skapinker on buying, selling, matrimony and divorce

HAS THE magic gone out of your marriage? Is your idyllic honeymoon nothing but a distant memory? If so, Alan Melkman thinks he can help you.

Melkman is not a marriage guidance counsellor. He is the managing director of an organisation called Marketing Dynamics which advises companies on ways to hold on to their customers. But he draws unashamedly on all the clichés of conventional matrimony. The ingredients of a good relationship between seller and buyer are, he insists, the same as those of a successful marriage.

To Melkman, the initial contact between a company and a customer resembles nothing so much as early courtship. The potential customer is wary and reluctant to make a commitment. The intending seller, while on his best behaviour, is also at his most insistently persuasive.

The tie between a seller and a long-term buyer is, he says, like a marriage of many years' standing. The customer begins to feel taken from granted, perhaps starts experiencing the "seven year itch," and, if sufficiently disgruntled, begins to look around for alternative suitors.

The seller, for his part, begins to find the customer inexplicably distant and uncommunicative. It is at this point, Melkman says, that supplying companies start complaining that "my customer doesn't understand me."

There is much more of this sort of thing in Melkman's analysis. A lot of it seems somewhat contrived, although he fortunately resists the temptation to include any mother-in-law jokes.

He concedes that his marriage analogy, which he presented to a British Institute of Management seminar last month, is not meant to be taken entirely seriously. But it does, he argues, provide a framework for understanding the relationship between suppliers of goods and services and their customers.

Once you know what the various facets of that link are, Melkman claims, you are in a position to ensure that your customers do not feel the urge to turn to your competitors.

There are, in his view, four stages in the development of the relationship between seller and customer. They are: 1. Courtship. This lasts until the first order has been placed

and takes various forms. There is the "whirlwind romance," when the salesman immediately gets a warm reception. The potential buyer likes the product and places an order in a matter of weeks.

A second variation on the courtship theme is the "third time lucky" phenomenon. The first couple of approaches by the salesman are rebuffed. But he persists and is suddenly rewarded with an order. The admiring customer marvels that "I kept putting him off, but he kept coming back."

Engagement. This phase, which follows delivery of that first order, is crucial. The order at this stage probably represents only a small proportion of the customer's requirements, placing it in a strong position. The company now has to decide whether or not the product lives up to its initial expectations. If not, it can end the relationship by declining to place a second order.

Highest point

● Honeymoon. This begins when the purchasing company decides to increase its dependence on the supplier. At this point, the balance of power shifts and the purchasing company becomes more and more dependent on the seller. The relationship reaches its highest point so far. In the eyes of the purchasing company, the supplier can do no wrong.

The time to push the customer to buy add-on products and services is during the honeymoon period. Remember, Melkman says, that this is the point at which the seller is in the strongest position. At the same time, it is crucial to maintain the personal touch. Changes in price, for example, should be communicated personally and in advance.

Once the relationship moves into wedlock, the seller should constantly think of ways to increase collaboration with the customer. One manufacturer, for example, installed computer terminals in the offices of its dealers, so that it could keep track of their stock levels and anticipate their orders. This meant that any potential competitor who wanted to win the dealers over would have had to replace the terminals.

Above all, Melkman says, if your customers tell you they are perfectly happy, don't take their word for it. They are not going to tell you about their flirtations with your competitors.

● Wedlock. The supplying and purchasing company slip into a long-term relationship. Once this has happened, Melkman says, complacency often sets in. The supplier fails to notice when the customer's needs change or when his own standards of service slip.

At each stage, Melkman contends, the supplying company can behave in a way which either improves or damages the relationship with the customer. During courtship, for example, it is important that the product is attractive and that it is presented in a professional way. The potential buyers should feel that they are getting personalised attention. Greeting them by name when you see them helps. Inviting

TWO NAMES. ONE PHILOSOPHY.

The joining of two strong names, sharing a common philosophy, has formed one far stronger, market-leading company. The best news transport operators have heard for years.

To maintain its leadership, the new company is pursuing a policy of giving operators the best vehicles, value-for-money parts and the level of back-up they need in the increasingly competitive British market.

The Leyland DAF range of vehicles provides benefits for every operator and virtually every operation, offering a choice starting with the Freight Rover Vans' range and reaching up to heavyweight, 150 tonnes trucks.

A range that will continually improve through a £150 million investment, over the next five years, into new product development and production techniques.

The greatest single benefit to come from the formation of the new company, for both operators and the industry alike, is a much needed injection of confidence.

A confidence that operators are responding to, by committing themselves to Leyland DAF.

Leyland DAF

A COMMITMENT TO THE FUTURE.

FOR FURTHER INFORMATION TELEPHONE: MARLOW (06284) 6955 LEYLAND (0772) 421400 FREIGHT ROVER VANS ENQUIRIES: VANLINE 0800 400 407

FT LAW REPORTS

Tour operator not liable for asthma attack

KEMP v INTASUN HOLIDAYS LTD
Court of Appeal (Lord Justice Kerr and Lord Justice Parker); May 20 1987

A TOUR operator is liable for consequences which flow naturally from his breach of contract, and for any additional consequences which should reasonably have been within his contemplation when contracting; and information which is not part of the booking arrangements, but is given to the travel agent in casual conversation, is not sufficiently within the tour operator's knowledge to give rise to contractual consequences.

The Court of Appeal so held when allowing an appeal by Intasun Holidays Ltd (now called L.C. Travel Ltd) from an award of damages made by Judge Lee in the Worcester County Court, in favour of Mr Alan Kemp.

LORD JUSTICE KERR said that on February 2 1984 Mrs Kemp and her daughter called at Thomas Cook to choose a summer holiday.

There was a conversation with one of the assistants in which Mrs Kemp referred to the fact that her husband suffered from asthma. She said he could not be there because he was ill, and that because of his health special insurance was required.

It was decided they should choose a holiday at a hotel called America 1 at Calas de Mallorca. The relevant booking

form and an insurance proposal form were taken away by Mrs Kemp.

By February 29 the Kemps had completed the booking form and returned it, and it was accepted by Intasun. Accordingly by that date the contract was concluded between the Kemps and Intasun on the terms of the booking note.

The booking note had a space for "special requests," but nothing was inserted in it. The first 30 hours of the holiday proved disastrous. The America 1 was full up, and the family was taken to a Spanish hotel called Las Chihuahuas, which was of nothing like the same quality.

They were taken to a room in the staff quarters. It had a broken window filled with bricks, glass on the floor, and it was filthy and very dusty. The toilet had no door and the shower did not work. There were two single beds, and a portable bed which they could not operate.

The room's dusty and dirty condition had a particular effect on Mr Kemp's asthma. He had an attack which caused him and his family considerable distress. He suffered from it throughout the 30 hours spent in that insalubrious room, and continued to be affected for several days.

Mr Kemp sued Intasun on behalf of himself and his family. Judge Lee awarded £1,000 for breach of Intasun's contractual obligations. He divided the

award into two parts. The first part was £400 for inconvenience, discomfort, loss of enjoyment and disappointment. That was not appealed.

The second part was £600 for the consequences of Mr Kemp's having suffered an asthma attack due to the state of the alternative accommodation. Intasun challenged that as a consequence which was too remote to be recoverable.

The judge had said that to succeed on this point Mr Kemp must prove that Intasun "had knowledge of his asthma and associated problems." He found that asthma was sufficiently uncommon to be not normally in the contemplation of Intasun — "it would, however, be sufficient if the defendant's agent was told."

Once Intasun had knowledge, he said, the circumstances in which it came to know were irrelevant, as was the purpose for which the information was given.

He held that knowledge was attributable to Intasun.

The relevant test was not formulated entirely accurately or completely when the judge said that Mr Kemp must prove that Intasun "had knowledge of his asthma and associated problems."

Intasun was responsible for all the consequences which it could reasonably have contemplated as liable to flow from its breach of contract (see *Koufos v Caramitros* (1969) 1 AC 350).

It was clear that the foreseeable consequences of a

breach of contract of this kind would always include distress, discomfort, disappointment. For that, the £400 was awarded.

But the responsibility of a tour operator did not necessarily stop there. He must also accept liability for any other consequences which should have been in the reasonable contemplation of the parties if they flowed naturally from his breach and caused additional foreseeable loss or damage.

The issue really was whether Intasun should have reasonably contemplated that the conditions in a room provided by way of alternative accommodation, might foreseeably be injurious to Mr Kemp's health.

The answer was in the negative. Mrs Kemp answered the question frankly in evidence when she said that had her husband not been susceptible we'd have had an unpleasant 30 hours or so, but no more.

That must be read in the context of the judge's unchallenged finding that asthma was not sufficiently common to be in Intasun's reasonable contemplation and foreseeable.

Mrs Kemp's evidence was that her conversation in Cook's was casual and not part of the booking arrangements. The judge was in error in attributing any contractual consequences to that casual conversation.

At the time of the conversation Thomas Cook was not the agent of Intasun, let alone for

the purpose of receiving or passing on the content of the conversation. Whether it became its agent at a later stage and for what purpose it was unnecessary to decide.

The circumstances in which Mrs Kemp's remarks were made and the position which Thomas Cook then occupied entirely precluded the court from holding that the limited knowledge about Mr Kemp's state of health which a Thomas Cook assistant happened to acquire casually, had any contractual obligations.

The £600 was not awarded for any consequence which flowed in the ordinary course of events from Intasun's breach.

The appeal would be allowed and the award of £600 struck out.

LORD JUSTICE PARKER agreeing said that he could not accept that a casual conversation in February was sufficient to bring the asthma attack within the contemplation of the parties, even if knowledge of it were imputed to Intasun.

For Intasun: Conrad Dehn QC and Alastair McCallum (Robbins Olney & Blake LLP, London, for Sampson Wade, Bradford).

For Mr Kemp: Anthony Lowe (Trower Still & Keeling, for Desmond & Holder, Worcester).
By Rachel Davies Barrister

NOTICE OF REDEMPTION TO THE HOLDERS OF ECU 40,000,000 THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V. 11 1/2% GUARANTEED BONDS DUE 1993

NOTICE IS HEREBY GIVEN that pursuant to paragraph 6 (b) of the Terms and Conditions of the above Bonds and in conformity with the Fiscal Agency Agreement dated as of 9th August 1983, ECU 4,000,000 in principal amount of the above Bonds will be redeemed on 9th August, 1987, at par (the redemption price) together with accrued interest thereon to said redemption date. The drawing has taken place on 12th June, 1987, in Luxembourg.

Serial numbers of the Bonds to be redeemed are set forth below on groups from one number to another number, both inclusive:

02212 - 02403	02504 - 02511	02947 - 03046	04289 - 04388
04854 - 04953	05142 - 05241	06318 - 06417	09258 - 09357
11606 - 11675	11776 - 11805	12837 - 12900	13001 - 13136
14519 - 14618	17038 - 17131	17232 - 17237	18157 - 18205
18306 - 18436	18570 - 18626	18727 - 18769	19398 - 19442
19543 - 19597	19612 - 19671	19772 - 19811	20566 - 20665
21274 - 21285	21385 - 21573	21992 - 22047	22148 - 22191
22561 - 22760	22830 - 22949	26074 - 26173	26311 - 26410
26474 - 26573	26758 - 26957	28104 - 28153	28236 - 28401
29190 - 29289	29430 - 29483	29584 - 29699	29800 - 29949
30720 - 30829	32180 - 32279	34754 - 34853	37380 - 37479
37524 - 37623	38010 - 38119	38245 - 38344	38914 - 39013
39604 - 39636	39737 - 39803		

The following bonds, called for redemption on 9th August 1985, have not yet been presented for the payment:

01052 - 01061	02481 - 02489	04416 - 04432	04442 - 04445	05911
03919 - 03926	05978	06002	06048 - 06056	07501
07513 - 07515	07592	08076 - 08078	08110	08134 - 08137
08351 - 08373	08415 - 08417	10890 - 10896	10963 - 10969	11346
11402 - 11404	11410 - 11412	11417 - 11418	14786 - 14789	14811 - 14816
16257 - 16310	18634 - 18638	18644 - 18651	18719 - 18720	18725 - 18726
19166 - 19174	19185 - 19207	20487 - 20489	21786 - 21789	22051 - 22053
22057	22130 - 22137	25103 - 25104	26581 - 26756	27072 - 27074
27580 - 27592	27594	27621 - 27623	29578	

The following bonds, called for redemption on 9th August, 1986, have not yet been presented for the payment:

00001 - 00010	00022	04030 - 04034	04056 - 04057	04078 - 04086
04089 - 04091	04107 - 04129	04527	04577 - 04579	04584 - 04593
04603 - 04616	04688 - 04707	04713 - 04742	05218 - 05251	05272
06283 - 06290	06297 - 06317	07496 - 07497	07499	08245 - 08259
08280	08286 - 08311	08315 - 08316	09436 - 09444	09469 - 09499
09514 - 09535	10443 - 10459	10492 - 10500	10502 - 10578	10616 - 10619
11676 - 11685	11708 - 11738	11750 - 11771	14002 - 14027	14036
14038 - 14079	14082 - 14092	14115 - 14124	14749 - 14785	16514 - 16519
16525 - 16551	16555 - 16601	16635 - 16637	16702 - 16734	17013 - 17014
17019 - 17029	17031 - 17052	17144 - 17153	17163 - 17181	17225 - 17231
19681 - 19709	19714 - 19729	19731 - 19743	19770 - 19771	20223 - 20224
20261 - 20268	20271 - 20277	20289 - 20304	20308 - 20309	21295 - 21296
21303 - 21305	21309 - 21315	21319 - 21323	21328 - 21337	21357 - 21368
21370 - 21376	21801 - 21841	21861 - 21872	21877 - 21892	21924 - 21943
21972 - 21973	21976 - 21991	23757 - 23807	23815	23861 - 23864
24438 - 24449	24463 - 24488	24494 - 24527	24532 - 24537	25207 - 25212
25215 - 25216	25228 - 25267	25263 - 25272	28446 - 28455	29715 - 29716
30634 - 30653	31616 - 31715	32080 - 32179	33456 - 33553	35342 - 35641
36166 - 36265	36694 - 36793	37061 - 37158	37201 - 37230	37245 - 37315

Amount outstanding after 9th August, 1987: ECU 26,500,000.

Interest on the Bonds to be redeemed will cease to accrue on the redemption date. On such date the redemption price will become due and payable on each of said Bonds and payment thereon together with accrued interest will be made at any one of the following paying agents: the office of Société Générale Alsacienne de Banque, Brussels branch, the office of Société Générale, London branch, the office of Credit Suisse Zurich and the office of Société Générale Paris upon presentation and surrender of said Bonds with all coupons attached maturing after said redemption date. In the event that any such coupon is not so attached, the amount of said coupon will be deducted from the redemption price.

Coupons which shall mature on, or shall have matured prior to, said redemption date should be detached and surrendered for payment in usual manner.

THE INDUSTRIAL BANK OF JAPAN FINANCE COMPANY N.V.

BY SOCIÉTÉ GÉNÉRALE ALSACIENNE DE BANQUE

THE PRINCIPAL PAYING AGENT

15, Avenue Emile Reuter

LUXEMBOURG

NOTICE OF REDEMPTION

BP MINERALS INTERNATIONAL LIMITED (formerly Selection Trust Limited)

U.S. \$50,000,000 8 3/4% Bonds 1989

NOTICE IS HEREBY GIVEN that pursuant to Condition 5(a) of the Bonds described above (the "Bonds"), and paragraph 5 of the Paying Agency Agreement dated as of July 28, 1977 between Morgan Guaranty Trust Company of New York (the "Principal Paying Agent") and BP Minerals International Limited (formerly Selection Trust Limited) (the "Company"), the Company has elected to and shall redeem on August 1, 1987 (the "Redemption Date") \$4,000,000 principal amount of the Bonds at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with accrued interest to the Redemption Date as follows:

OUTSTANDING BONDS OF \$1,000 EACH BEARING THE FOLLOWING DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

01 02 15 26 29 32 34 42 43 45 52 61 65 69 72 74 78 82 83 86

ALSO OUTSTANDING BONDS BEARING THE FOLLOWING NUMBERS:

109	1909	3809	22009	36509	39609	40009	42109	44109	45609	47709	48209
509	2009	3909	28609	36809	38709	40309	44409	45709	47809	48309	48909
709	2109	4409	30409	36809	38809	41009	43709	44809	46309	48009	49409
909	2209	4609	32109	36909	38109	41809	43809	44709	46509	48209	48609
1109	3009	17509	32709	37109	38209	41409	43709	44909	46709	48509	48909
1209	3309	17609	34109	37709	39409	41509	43309	45009	46609	48409	48909
1309	3509	17709	35009	37609	39709	41709	43609	45309	46909	48709	48909
1409	3609	18309	36209	38409	39809	41809	43509	45409	47209	48509	48909
1609	3709	19609	36409	38509	39909	41909	44009	45509	47409	48609	48909

The Bonds shall become due and payable on the Redemption Date at the Redemption Price, which shall be paid upon presentation and surrender of Bonds together with all appurtenant coupons maturing subsequent to the Redemption Date. Payment will be made in U.S. Dollars, subject to applicable laws and regulations at the office of the Principal Paying Agent or at the office of any of the paying agents listed below. The coupons for interest due on or before August 1, 1987 should be detached and collected in the usual manner.

The Bonds, or portions thereof, to be redeemed on August 1, 1987 will no longer be outstanding on and after the Redemption Date and interest on the Bonds, or portions thereof, will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void. Payments at the office of any paying agent outside of the United States will be made by United States dollar check drawn on, or by transfer to a United States dollar account with a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payee not recognized as exempt recipient or fails to provide the paying agent with an executed IRS Form W-9, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury that the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

PRINCIPAL PAYING AGENT

Morgan Guaranty Trust Company of New York

30 West Broadway

New York, New York 10015

PAYING AGENTS

Morgan Grenfell & Co. Limited

23 Great Winchester Street

London EC2P 2AX, England

Morgan Guaranty Trust Company of New York

D-6000 Frankfurt-am-Main

Bockenheimer Landstrasse 8

West Germany

Swiss Bank Corporation

Aachenstrasse 1

Basle, Switzerland

Kreditbank N.V.

Arenbergstraat 7

Brussels, Belgium

BP MINERALS INTERNATIONAL LIMITED

By Morgan Guaranty Trust Company

OF NEW YORK, Principal Paying Agent

Date: July 2, 1987.

ADVANCED DESIGN

INTRODUCING THE COMPUTER OF THE FUTURE AT A BREATHTAKING PRICE PLUS ADVANCED SOFTWARE BONUS

Bringing the performance you can't afford to miss.

This new computer from Apricot will outperform anything else you try.

And with breathtaking ease.

However, its performance as the world's most advanced desk-top computer is not its only remarkable feature.

There's the price - £2999.*

For products based on the previous generation processors, IBM, Olivetti and Compaq will make you pay around the same.

Beware of paying more.

If your company has money to burn, you can easily blow it trying to attain a similar performance.

Quite simply, you're likely to be asked for an extra 50%, or more, for other systems based on the same 386 processor.

(Sorry IBM, Compaq et al.)

And unlike Apple, the new Apricot Xen-1 386 is fully compatible with no expensive additions.

Why more people choose Apricot.

Given the facts, it will come as no surprise that Apricot produces Britain's most popular AT compatibles.

Or similarly, Apricot is a major supplier

**£999
UPGRADE
GUARANTEE**

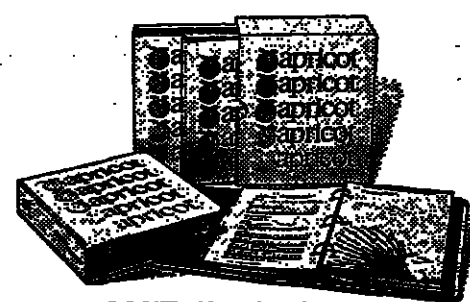
OFFER CLOSING AUGUST 31st 1987.

of computers to the Government.

But what is the view of the independent experts?

"Specifications which knock the socks off" was the rather apt description used by Which PC.

Whilst PC User succinctly put it as 'the fastest machine you can buy'.



ADVANCED SOFTWARE BONUS.

Special Upgrade Offer closes August 31st.

If the price of this Xen-1 386 is outside your budget, we'd like to make you a special offer.

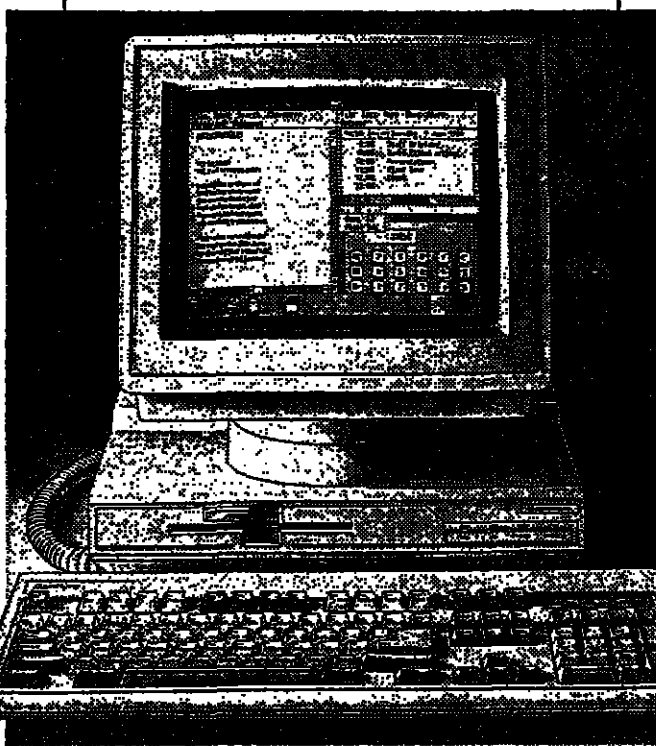
Because for £1999,* you can have the world's finest 286-based computer - the Xen-1X120.

Buy before August 31st, and we'll guarantee to upgrade it to 386 performance at any time next year.

And at the special offer price of £999, (the difference in cost between the two systems).

You're invited to test drive either system at any one of the 250 Apricot Business Centres around the UK.

Just return the coupon, or call Freefone Apricot.



THE NEW APRICOT XEN-1 386.

Advanced software included in the price.

There is a further bonus that you will not find elsewhere. The all-inclusive software.

Such as powerful Word-Processing with Graphics. A Lotus 1-2-3 compatible spreadsheet, VP Planner.

Or Microsoft Windows, with personal diary and card-index filing system.

Not that you would fail to notice how its performance transforms your existing software.

*Excludes VAT, monitor and desktop unit. System limited to 1000K RAM with high resolution colour monitor - standard VGA.

To Apricot Computers plc, Apricot House, 111 Hagley Road, Edgbaston, Birmingham B16 8LE.

THE ARTS

Giulio Cesare/Paris Opéra

Max Loppert

Nicholas Hytner's first production for the Paris Opéra is a staging of Giulio Cesare. The magnificent new study by Winston Dean and J. Merrill Knapp of Handel's *Giulio Cesare*, 1704-1726 (to be reviewed on this page shortly) discerns in this work a preoccupation with the passions of youth, a striving for structural continuity, and a feeling for the creation of a *corps de ballet*, which combine to produce one of the most dazzling examples of Handel's theatrical genius. Hytner shows himself alive to all these qualities—this may not be a faithful Handel revival (it would probably give Dean and Knapp a joint attack of apoplexy), but its inabilities are loving ones and proceed from a feeling for composer, form, and period that is both erudite and witty.

David Fielding's set is a vast sandstone stage, beautifully textured, marvellously well contrived for the vast Palais Garnier stage. Against this timeless Levantine backdrop is played a visual game of time-travelling that supplies the key to the production viewpoint—the characters are now properly Ptolemaic (with sidelights into comic Hollywood-Egyptian), now 18th century adventurers, pigtails and fringed, and now pampered, rich princelings of the present day.

The string of humorous effects, sight-gags, moments of

sheer whimsy and frivolity, that producer and designer draw from these sleights-of-hand, remind the French critics of Tintin, and a British critic of *Merry Pythons* and *Monty Python*.

And it was never interrupted by the destructive of the opera's more serious, complicated play of emotions—the characterisations of Cleopatra, Caesar and Cornelia, were judged with an accuracy that proved the basic strength of Hytner's theatrical instinct. Even more than in the same producer's much-praised *Xerxes* for the ENO, the charm of the mixture depends on the fine balance and control of its ingredients.

In spite of important weaknesses on the musical side of the performance, I don't believe I have ever enjoyed a Handel opera quite so much, or admired its composer so extravagantly.

The weaknesses were almost entirely orchestral and textual and all appeared to proceed from the Handel uncertainties of Jean-Claude Malgoire as conductor. A small band of orchestra instrumentalists deep in that huge pit kept wavering in step with the voices (by now we know that, though it may be hard to do a Handel with

reasonable stylistic assurance in a 19th century theatre, it is not impossible); rhythms were wayward, tempos often remarkably ill-chosen, and numbers moved in fits and starts. Several of the arias were barbarously reduced to either first part only or, worse, first and middle sections only—clean whole cuts are surely better, if cuts there have to be.

It was, therefore, a tribute to Hytner, and to a very strong cast, that the show came across with as much deftness and flair as it did. Valerie Masterson's Cleopatra remains a performance of highest accomplishment, disciplined to the last eyelid-flicker, musically authoritative; the soprano is a degree less communicative in Italian than in her native tongue, and for the great emotional outpourings the singer lacks depth and warmth, but she was the evening's focal point. Guillelme Laurens' high reputation in Early Music circles was handsomely justified by a vigorous, clearly articulated Cornelia; the American mezzo Susan Quittmeyer (whom I recall as a glorious *Compassion* in *Chances*) was a coldly vivid Sextus.

Three counter-tenors solved the problem of Handel high-pitched male roles with confident address. The sum of the production is a delicious joke-servant trouble some listeners, but then female singers are trouble some spectators. Graham Pushee (a virtuosic thraler hero), Jochen



Graham Pushee and Valerie Masterson

Kowalski (a powerfully manic Ptolemy), and Dominique Visse in a delicious joke-servant trouble some listeners, but then female singers are trouble some spectators. Graham Pushee (a virtuosic thraler hero), Jochen

tone role of Achille was the only weakness. One of the British opera houses must borrow this production: it will give pleasure wherever it is seen.

Alice/Coliseum

Clement Crisp

The Alice stories by Lewis Carroll can be interpreted in many ways. They are the stuff of childhood fantasy devised by a reclusive mathematician for three little girls whom he took for a picnic on the Isle. They are, inevitably in our post-Freudian days, sublimations of feelings by their author for the children whom he adored. They are also exercises in the inversion of reality, supreme illogicalities by a man who was a logician, in which dream identities replace the real figures known to Alice Liddell, their heroine. They have inspired ballets, and have most recently fired the imagination of the American composer, David Del Tredici, who has produced a series of orchestral scores based upon incidents and attitudes plucked from them.

It is the poem, Child of the pure unclouded brow, which Carroll wrote as a retrospective glance at the tales, that is the motor force behind *Memory of a Summer Day* composed by Del Tredici in 1980. This is the basis for Glen Tetley's Alice, made for the National Ballet of Canada last year, and now brought by the company to London for the season which opened on Tuesday.

The key to Tetley's hour-long ballet seems to me to be the Carroll lines "No thought of me shall find a place. In thy young life's hereafter," though Tetley proposes the exact oppo-

site. He shows us a quartet of principal characters: the child Alice and Lewis Carroll; the mature Alice and her husband, Reginald Harcourt, and seeks to illuminate the shifting relationships, the cross-references of feeling, memory, regret, that are Alice's later thoughts of that idyllic story-laden afternoon and of the story's narrator.

In this study, which is the ballet's heart, we watch the child Alice's affection for Carroll and her involvement in his narrative, and the mature Alice's contemplation of what Carroll meant to her and, arguably, the grown woman's transference of her feelings for him to her husband.

So far, so fascinating as a balletic idea—one which Tetley works out with his customary sensitivity for the emotional webs that can exist between innocent love and adult passion. As the necessary substructure to the piece there are fantasy evocations of scenes from Alice's adventures: the Mad Hatter's Tea-party; the card-game; the Cook and the Duchess; the Caterpillar, and as a master of ceremonies, the White Rabbit.

Where Tetley loses this viewer is in the score itself. David Del Tredici's writing veers between the raucous and the saccharine, with a thin little leit-motif for Alice herself

layered with turgid late-Romantic orchestration working itself up to a series of fictitious climaxes. The writing seems massively over-extended for its basic materials, and this has compelled Tetley to expand to unhelpful lengths the basic and fascinating premise of the grown-up Alice's consideration of her younger self and that self's affection for Carroll. What sustains our interest, despite the rapid rhapsodising of the score, is the quality of the Canadian performances. As Alice Harcourt, Karen Kain gives an interpretation of subtle delicacy and poignant clarity, and this is matched at every moment by the lyrical effusion of Kimberly Cusack's sweetly true Child Alice.

Set against these are Rex Harrington's Carroll, an elegant youthful figure drawn in spans of handsome dancing, and a no less commendable Harcourt from Peter Ottmann. The rest of the cast, cleverly identified with Tenniel's originals in Nadine Baylis' vestigial, transparent, decorative bustle about and are drawn into the general dances which Tetley uses to punctuate the psychological action, with Owen Montague a wholly credible White Rabbit, who fusses and scuttles and at moments seems a further extension of Carroll's personality. The resultant portrait of the Canadian company is a flattering one.

Young musicians meet in Hungary

Interforum in Hungary is one of the major international meetings of young musicians. Held every three years, it takes place in the village of Keszthely on the banks of Lake Balaton and has an unrivalled setting in the magnificent kept Festetics Palace, built by a Hungarian aristocrat to house his library and fine collection of paintings: an apt choice for an event that breathes an atmosphere quite distinct from the pressures of most similar musical meetings.

While the heat of a Hungarian summer at its height beats down outside, the thick stone walls of the palace keep the climate within cool and pleasant. There is no competitive atmosphere here. No prizes are awarded at the end and the value of the meeting to the young artists who attend comes rather from the chance to meet and play for an invited group of agents, critics and music administrators in what is virtually a seaside holiday retreat.

Admittedly, the unusual nature of the meeting can catch people out. One of the pianists here, for example, said "I didn't know what I was coming to and I chose to play obvious showpieces because I thought you would all be tourists!" But for the most part the programme was an interesting cross-section of the world's leading young musicians who already have a glittering array of awards in their suitcases and are now hawking their goods around to impresarios.

Two individual performances will not easily be forgotten. The first of these came from András Keller, a Hungarian violinist whose account of Bartók's Sonata for solo violin lived and breathed every note of the score. Barely a phrase in his performance seemed to pass by without a new colour or mood coming over the music, something that perhaps only a native Hungarian could manage with such spontaneity.

The second also matched a performer with a composer of the same nationality. The Russian cellist Marina Tarassova

bravely offered Shostakovich's Cello Sonata of 1978 (there was not much new music to be heard generally) and gave it with an emotional force that broke through all restraining barriers: a great, beat-like tone which was offensively pushing the dynamics to their extremes and meeting the dark, frantic intensity of the piece head on.

Whether either of them will scale the same heights in other musical styles, we shall have to wait and see. (Tarassova's excerpt of Brahms certainly sounded on the Russian side.) But for sheer depth of musicianship there was nothing to beat these two artists coming off the stage in contact with their chosen scores.

Others chose a safer route—less risks, a more circumspect balance of virtues. The Swedish cellist Torleif Thedén did not bare his soul publicly in Shostakovich's Cello Sonata of 1978.

Richard Fairman

visits the Interforum festival on the shores of Lake Balaton

takovich in the way the Russian might have done, but within more conventional limits his recital programme promised a notable future. Ivan Zemtsov, a violinist from Czechoslovakia, did not push his range of expression either, but again this was a style of the highest quality: virtuosic, strong technique, every note with its own decisive beginning and end. Both look to be thorough professionals.

Altogether it was a good week for string players. Mircea Călinescu, a Romanian brought a touch of gypsy fire to Sarasate's Zapezados; the East German Kai Vogler played Bach solo violin with much inner beauty; and, in the only chamber music of the meeting, András Keller returned with his own Keller Quartet, making only their second public appearance, to play the slow movement of Schubert's Death and the

Maiden Quartet with a warmth and eloquence that any well-established quartet would be happy to equal.

Unfortunately the pianists had a more difficult time of it. The big-toned Yamaha grand which was offered for the festival for Interforum 1987 proved not at all well suited to the elegant, gilded drawing-room in the palace where the performances are given. Ernst Nolting-Hauff from West Germany managed to find some variety of colour from it for his Debussy Preludes and the Canadian Angela Cheng played Ravel's "Ondine" with the right light tones, but for the most part it was a case of sitting back and trying to hear the volume.

Flute-playing, though, was quite another matter and nothing sounded more lovely in these surroundings than the easy, expressive phrasing of the Hungarian Márta Hegedűs, whose playing of Frank Martin's Ballade was one of the major successes of the week. Another of them—for its wit and brilliance—was the saxophone programme of Schmitt and Minkus by Olga del Rion from Holland. Apparently there had been some doubts in advance about including the saxophone at all, but this should have put an end to them.

Finally, two singers worthy of note: from Latvia, Jānis Bārdins, a deep mezzo singing Mahler with much fullness of tone; and from Bulgaria a light and silvery soprano in Nadia Zvetkova, whose excellent German and winning smile in opera she is, was the way to a contract with an opera house in Germany. If prizes were given, she would certainly get one for presentation, sporting silver sparkles in her hair and a range of dresses that made her look like a million dollars.

The next Interforum will be in 1990. The organisation by Interkoncert, the national music agency in Hungary, is so excellent that there can be no doubt the event will throw up as much of interest as it has this year. It only remains to be seen if the weather can be relied upon to play its part again.

Die Frau ohne Schatten

David Murray

The revival of the Strauss-Hofmannsthal *Die Frau ohne Schatten* at the Royal Opera Covent Garden is stirring and rather splendid, in its way. The opera is almost unmanageable as conceived: I should love to see it realised by a pro from science-fiction comics, the only modern genre that could accommodate both the lofty moralising and the wilful fabulism in live-action terms. The way that the producer Rudolf Hartmann took in 1967, faithfully retraced now, was much simpler. Though now we hear of extending what we see is mostly a walk-through concert performance with a tame '60s lightshow.

Given the difficult material, that may be thought valiant discretion, but I suspect it was more a gingerly compromise. Hofmannsthal's great strengths were always naturalism, practical detail and sympathetic psychology; Svoboda's bent was for abstract simplification and self-contained visual effects. Hofmannsthal's pseudo-Zauberflöte exercise would appear to neither of them. The result was a single-set design (Svoboda was then in his last days of period) only slightly varied by dangling children's mobiles, and a treatment of the action narrowly constructed by the designer's refusal to provide anything evocative, let alone any distinction between the "spiritual" levels which Hofmannsthal supposed essential. When even the Kaiser's bed has to be planted on the Odessa steps, what can you do?

Excellent as concert-performers, neither the Kaiser nor the Kaiserin of this revival stand out as characters. It is the Kaiserin who's "shadowless" meaning non-child-bearing, but both are shimmering, irresponsible idyll. Robert Schum's solidly efficient tenor is a solid German product, without the lyrical impulse in his music that is captured by the fine Royal Opera orchestral soloists: he stands and reliably delivers. Ruth Falcon's Kaiserin is similarly less silvery

and floated than her accompaniment, in the first act; she becomes eloquent and acquires the appointed insights, but her comfortably mature persona denies the initial starry-eyedness. We need to hear the favoured principals undergo a more radical growing-up.

The plebeian couple make stronger headway. Siegmund Nimsgern's Barak-the-dyer, in his first performance, is too honestly dignified and musical to be disbelieved; and Gwyneth Jones, as his dissatisfied young wife, seizes her part magnificently by the throat. Between them they provide the heights of the performance, though fuller direction might have given them more to build on. For dramatic purposes it's a pity that her dream-lover is presented as a muscular male stripper, instead of a *beau idéal* with a romantic profile (sci-fi-fantasy could supply a better equivalent, as could Philip Prowse): Hofmannsthal didn't imagine the Dyer's Wife as hooked on biceps and lats.

Helga Dernesch stages the entire role of the Nurse—most Nurses croak and snarl—like the serious artist she is. Christoph von Dohnányi conducts with keen attention to orchestral detail and an overriding care for urgent dramatic progress. He doesn't dwell over certain passages that need leisure to blossom, but the sense of a long, clean trajectory is a great bonus. So are the surtitles (if you choose the right performance): watching *Die Frau* with an audience who could read exactly what was being said was as gripping as the first act middle-scene of the English *Siegfried* at the ENO. I should guess that the current Royal Opera cast for *Die Frau* will seize the theatrical bit more fervently at each successive performance, and they shouldn't be missed.

Four premieres of one kind or another in Tuesday's Almeida Festival programme, given by the Almeida Ensemble under the seemingly indefatigable Oliver Knussen. One of those, the first performance in London of Michael Finnis's *Vandeville* (1983), need not detain us long: in dramatic structure and musical content, this tribute to the world of the American music hall proved hopelessly inadequate, hardly fulfilling any of the expectations Finnis's scheme set up, with its lofty ambitions to mirror the range and spectacle of the vaudeville, and to underline its importance as a vehicle for social commentary.

But it did show the composer engaging with a much more direct musical style than his instrumental and orchestral works might have suggested, leaving the hope that more thoroughly planned and executed theatre piece might carry greater dramatic weight.

The remaining new works in

the programme, though, were all notable introductions. Conlon Nanorow's *Piece for Small Orchestra* (1986) is his first work for more than 40 years to have been composed for anything other than the player-piano. The highly charged polyphony that he was able to elaborate within the mechanical medium happily remains unbridled, and the rhythmic complexity of their own, leaving as ever with Nanorow an impression of great creative exuberance constantly straining at the bounds of its medium.

By contrast Peter-Paul Nash's *Earthquake* (1985) for narrator, oboe, piano and string quartet is a masterly piece of understatement, juxtaposing a laconic text by Ronald Firbank (beautifully judged here by Simon Callow in a part originally commissioned for Peter Pears) with fastidiously calculated instrumental textures, creating a surreal, mental landscape of a peculiarly difficult genre it is a singular success, quietly and gently entertaining.

Paul Ruders' *Corpus cum*

Figures—the British premiere of a piece written for the Ensemble Intercontemporain in 1984—very clearly belongs with those of the recent explorations of dark, threatening sound worlds. It's a substantial single movement articulated in two sharply characterised sections, the first piecing together a crabbed funeral march, which is brutally extinguished just as it promises at last to reach an unambiguous conclusion, and the second boiling up into manic, minimalist dance, which can only end in catastrophe and then makes enfeebled attempts to regain the threads of the musical music. It is both wild and enormously impressive, containing a highly individual and absorbing expressive world.

Ruders owes much of his burgeoning reputation in Britain to Knussen's steadfast support and to committed performances such as this; such pieces continue to suggest that his is one of the most distinctive voices to have emerged in Scandinavian music for many years.

The Bluebird of Unhappiness/Manchester

Martin Hoyle

After a meaty and successful season Manchester's Royal Exchange has been for the last few days with a frothy flourish. John Lahr, dragging his fascinated gaze from Joe Orton, has compiled a revue from the writings of Woody Allen, adding some songs of his own to the mix. The Royal Exchange has a four-piece band plays Stanley Silverman's music. Anthony Van Laest choreographs. The stage staff pop out of holes in the ground to provide props for the rising and vanishing furniture, and deserve their ovation. Braham Murray directs. So why do I echo the words of one of the characters, "I've never had so much fun without laughing?"

Possibly because Allen's work is ingenious, droll, whimsical but not actually funny. Despite the famous New York Jewish delivery, the urban sophisticate

neurosis, his humour has a dogged logic in its unrealistic conclusions, that recalls the great nonsense writers like Lewis Carroll. If not spun out on a fine, tight line, it plods. This is exemplified by the long, narrative stretches in the tale of his girlfriend's mother, where our interest flags long before the shaggy dog pay-off.

Imaginative ideas start well, as with the man hooked on the intellect who furiously pays girls to discuss Yeats and Pound in hotel rooms; or the private eye hired to find God. A New Yorker is magicked into an affair with Madame Bovary, only to find himself mentioned

in the novel—the mixture of reality and fantasy familiar from *The Purple Rose of Cairo*. Yet the long, song-like, indistinct comic made a truly intelligible, comic retellings of Socratic and Biblical episodes, are framed by a Laugh-In type party cracking with one-liners. Yet don't hope to be American to deliver the lines, but it would help.

A gallant company includes the inimitable Derek Griffiths, rather wasted, and a tall, stylish comedienne, the immensely promising Haydn Gwynne. The Royal Exchange has had a marvellous few months, so it can be allowed this insubstantial end-of-term romp.

Saleroom/Antony Thornecroft

Second division stuff

After the Lord Mayor's show... Well, not quite. The Impressionist and modern pictures sold by Sotheby's yesterday were still for the very rich, but the prices did not touch the levels of the mega-rich, as they did on Tuesday evening when, among the successes, a landscape by Foulst, 1905, fetched £3.2m, a record for this Viennese artist, and £227,000 was paid for "Marionette" by Foulst. Another artists record.

Top prize on Wednesday was the £27,500 won by a secured by night view of Venice by Henri Le Sidaner, who is just the type of second division artist that

has appreciated in price because the big names have become too expensive.

The Impressionist and modern market is currently boosted by Japanese buying and it was a dealer from that country who paid £159,000 for "La table et le jardin" also by Le Sidaner. Another portrait by Foulst, 1905, fetched £123,000, a bonnet, made £123,000, while Watlington of London paid £116,600 for a Matisse bronze of a female nude. The auction totalled £7,277,250, with 26 per cent unsold, which suggests a normal rather than an overheated market.

South Bank walkways to go

The face of the arts in London is changing rapidly. One day after Covent Garden heard that it had gained planning permission from Westminster Council for its extended Opera House (at the expense of some familiar 18th century buildings) comes the news that Lambeth Council has given the go ahead for a more welcome redevelopment—the South Bank Centre can demolish some of the unsightly concrete walkways which make this arts complex such a depressing venue.

In September the massive concrete walkway and steps on the Belvedere Road side of the Festival Hall will be demolished, along with the pedestrian bridge and the permanent "temporary" walkway from the Hall which goes under Hungerford Bridge. The board architects Terry Farrell, will be designing alternative access routes but they will be in the style of the 1951

Festival of Britain and should make the look of the place much more appealing.

At the same time the board announced that Conran Design Group had been chosen to improve the look of the interiors, in particular the public rooms which are now shabby and unappealing. Extra business from sponsors should pay for the modernisation.

The South Bank Centre, which took over from the GLC on April 1 last year, in its first annual report, lays claim to a rise in audiences at the Festival Hall for 1986-87 of 15 per cent, to 68 per cent, and bigger jumps at the Eliza and the Purcell Room. The South Bank has grown in popularity as a social centre, and it is estimated that each year 2m now visit its foyers, as against audience attendances of 1m.

Arts Guide

Musical/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

June 26-July 2

Exhibitions

LONDON

The Tate Gallery. Turner in the new Clore Gallery. The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and a further 19,000 or so watercolours and drawings, has been a source of controversy and discussion ever since it came into the nation's hands more than 150 years ago. Turner had always wished for a gallery to himself which would show all aspects of his work. Whether he would have approved of James Stirling's extension to the Tate as a suitable setting is a moot question. The large paintings may be hung too low for one who lived in a more ostentatious age, and the tasteful external Stirling has decreed for the principal galleries is a far cry from the rich panoply he is known to have possessed. The new modes of the entrance hall has little to recommend it. But eight rooms for paintings and one for watercolours give room enough, and with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

Buckingham House. Finally! The Summer Exhibition of the Royal Academy has come round again, for the 219th time. Over 1,200 works have been chosen, nearly 300 fewer than last year, from an open submission of over 18,000 paintings in all media, prints, drawings, sculpture and architectural design. For all its variety and gaudiness, the exhibition is strongly professional: the amateur work which once made it no-

torious has been more rigorously excluded in recent years and is now all but gone. With its privileged entry of six works apiece, the Academicians and Associates set the standard and the tone. With so big a show as this the visitor must follow his own taste and judgment and work quite hard to see everything properly, but the involvement of the work of Elizabeth Blackadder, of Wyn Bowyer or Gus Cummins to that of Gillian Ayres, Joe Tilson or John Behney. (Daily until August 29).

PARIS

French Masters of the 19th and 20th century. From Toulouse-Lautrec's *Moulin de la Galette* to a rare Gauguin with a landscape of Brittany seen through a hazy prism of colours from a powerful floor composition by Nicolas de Stael to Cézanne's portrait of Madame Cézanne, from a pastel coloured Picasso still life to the most frequently reproduced Degas dancer, the traditional spring exhibition at the Schmitz Gallery can boast not only an exceptionally long list of great names of the period it covers but exceptional quality as well. Galerie Schmitz, 308 Rue Saint-Honoré (1060 5858). Closed Sundays and lunch times. Ends July 18.

WEST GERMANY

Stuttgart. Starling's *English art* in the 20th century organised by the Royal Academy of Arts. The work, covering 1910-70 is not well known in Germany. The extensive display Moore, Ben Nicholson, Francis De-

con and Anthony Caro. It should help to revise the prejudice that British art is provincial and has not been represented in the avant garde. **Kassel: Museum Friedländer.** *Orangerie Documents 8* World exhibition of contemporary art: paintings, sculpture, design, photography, architecture and design. The Documents were founded in 1955 by local painter Arnold Bode with Henry Moore, Alexander Calder, Max Ernst and John Miro and is an important venue for modern art. This year director Manfred Schneckenburger presents the works of 150 artists, and for the first time open air sculptures which will be erected in Kassel's city centre. Artists exhibiting include Jan Hamilton Finlay, Javier Mariscal, Robert Morris, Mark Tansey, Alexander Melamid, Eric Fischl, Leon Golub, Robert Longo and Joseph Beuys. There is also a separate exhibition *The Ideal Museum* where 12 architects present their ideas for Museum construction. Ends Sept 20.

ITALY

Venice: Ca' Pesaro. American Art in the 80s from the Ludwig Museum in Cologne: Works by 25 artists, from Liechtenstein to Rauschenberg, Oldenburg, Rosenquist, Warhol, Lewis, Diez, Stella, Noland and Pollock. Ends Aug 2.

Rome: Galleria Nazionale d'Arte Moderna (Viale delle Belle Arti). *Le Storie della Memoria*: views of architects, portraits and conversations pieces from the Fra collection. The catalogue is almost more delectable than the exhibition itself: the delicate oils and watercolours get lost in

the austere spaces of the gallery. The nostalgia title refers to a period (1770-1870) when the aristocracy of Europe were united as never before in a search for a perfect style. Maria Franz, anglophile, literary critic, and Professor of English Literature at the University of Rome, had a passion. He re-created with accuracy and attention the atmosphere at his "Casa della Vita." Palazzo Ricci in Via Giulia. Franz's passion for empire style began when still a child and he was still buying new pieces at the age of 15, a year before he died. It is said that it proved impossible to buy Palazzo Ricci itself, so that these delectable objects could have been seen in their proper setting. Until September 6.

SPAIN

Madrid. Centro de Arte Reina Sofia, Santa Isabel 52 Rembrandt: 5 German sculptors in Madrid. Ends June 22. Also: *American Dreams*. 116 photographs by 35 photographers from 1900. Ends July 2.

NEW YORK

Museum of Modern Art. *Beckman* 1961-67: An international assortment of 55 artists who worked in Berlin over the past 25 years includes David Hockney, Malcolm Morley and Georg Baselitz. Ends Sept 6.

Guggenheim. The first retrospective of Joan Miro since his death in 1983

includes more than 150 pieces, including paintings, objects, collages, ceramics and works on paper that explore the artist's experimental approach to media and his creative inspirations. Ends Aug 21.

Metropolitan Museum. 42 Impressionist and Post-Impressionist works from the Courtauld Collection tour America, including works by Cézanne, Manet, Renoir, Seurat and Gauguin. Ends June 21.

IBM Gallery. 90 paintings of pre-modern Viennese art from the second half of the nineteenth century including works by Klimt, Romako and Makart; and 120 drawings shown in posed and actual Washington government buildings. Ends July 11.

CHICAGO

Art Institute. 16th century Turkish art that flourished under The Lawgiver Sultan Suleyman is displayed in 210 objects including illustrated manuscripts, inlaid woodwork, rugs and the imperial wardrobe. Ends Sept 6.

WASHINGTON

National Gallery. 61 Italian master drawings by Leonardo, Michelangelo and Raphael among others travel for the first time from the Royal Collection in Windsor for this exhibit. Ends July 26.

TOKYO

Kandinsky. 100 works on loan from collections at museums in Munich, Paris, Moscow and New York. National Museum of Modern Art, Kitano, near Takebashi Station. Ends Aug 3. Closed Mondays.

STAYING IN HOLLAND?

To complete the needs of the business traveller, complimentary copies of the Financial Times are available to guests staying in the

AMSTERDAM

Apollo
HOTEL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

LONDON - FRANKFURT - NEW YORK

For more information
call (069) 7598-101

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finartimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday July 2 1987

A minority of one

IT WAS NOT easy, yesterday morning, to believe that the leaders of the 12 member states of the European Community had all been attending the same summit. While the British media regaled their audience with yet another stirring tale of Housewife Maggie making her solitary stand against the Eleven Big Spenders, Belgium's leading newspaper managed to avoid even mentioning Mrs Thatcher on its front page; and the French radio reported that Mr Chirac and Mr Mitterrand greeting the summit's outcome as, if not quite a success, certainly something much better than a failure—because Chancellor Kohl had at last agreed to dismantle the notorious Monetary Compensatory Amounts, thereby allowing French farmers the benefit of prices which will henceforth be effectively fixed in D-Marks.

Agricultural spending?

She gave two reasons for her refusal: she was not prepared to accept "the current bloated level of agricultural spending" as the base for calculating its future growth, and she could not agree "to commit ourselves to increase the community's resources before we have established effective and binding control over the use of that money." Yet on both these points differences had narrowed so far that, in the view of one of her leading advisers, they could have been settled in another 10 minutes of negotiation.

It is true that the plan involved redefining the base (currently 1984-85) against which the rise in the cost of the CAP is calculated. But this has been made inevitable by the steep fall in the dollar in the intervening years. The agreed growth rate, using the 1984-85 baseline, would yield expenditure of Ecu 25bn next year, whereas the European

Commission calculated that actual expenditure under present policies would reach at least 27bn. It proposed a cut of 1bn which—in the package that Britain has now accepted—has been whittled down to about 150m. The British Government has made no promises, suggesting a day that savings of 4bn, or anything like that amount, could be achieved in such a short time. One does not make the CAP cheaper simply by stating that it should be.

Inner cities

As for the increase in the community's "own resources," this was only hinted at in the plan, which suggested that the ceiling might in future be expressed as a proportion of GNP rather than of Value Added. No specific new ceiling was proposed and, so far from endorsing the commission's suggestion that structural funds, benefiting mainly the community's poorer southern regions, should be doubled, the plan said that these should increase in accordance with Article 203 of the Treaty, ie only a few percentage points each year.

It is really rather sad that, confronted with proposals which reflect how far the community has moved towards accepting British views on finance and agriculture in the past few years, Mrs Thatcher should nonetheless have felt obliged to stage a repeat of her old pre-Pontefract performance, and manoeuvre herself back into a minority of one—a position which beforehand looked much more likely to be that of Chancellor Kohl, because of his unwillingness to agree to farm price cuts. Her behaviour is most charitably explained by tiredness, and by preoccupation with her domestic agenda, especially the problems of the inner cities.

Nothing is irretrievably lost. The plan remains on the table as the basis for further negotiations. But it is an overall agreement on something like financial sanity in Copenhagen next December looks somewhat better than they did. But Europe is not getting the kind of positive leadership it is entitled to expect from its senior stateswoman, nor that (unlike the rest of her partners) she can put short-term electoral considerations behind her.

The farewell discourteous

THERE IS NOT much to be said for the manner in which the Chancellor, Mr Nigel Lawson, chose to cut down the future role and funding of the National Economic Development Organisation; but it is hard to muster more than a wistful regret for the substance. Nedo, launched with such high, vague hopes 25 years ago never lived up to them, even under governments which saw an important role for it. Under the present Government there were no such hopes, and therefore little role.

French indicative planning was the vogue when the then Chancellor, Mr Reginald Maudling, founded Nedo, and it was enthusiastically adopted by the first Wilson governments. However, the near-fare of Labour's National Plan, and the creation of a Department of Economic Affairs to oversee it, left Nedo very much on the sidelines. It re-emerged as a centre of very different hopes—the focus for a consensus on wages on the model of practice in Scandinavia, West Germany and Austria. Here again, however, it was soon upstaged by bodies specifically entrusted with prices and incomes policy, and quietly developed a third role as a centre for joint studies of general and industry-specific economic and organisational problems.

Sacrificial victim

This was potentially Nedo's finest era. While its findings were seldom earth-shaking, both employers and unions learned a great deal by taking part in these studies, and some of the "new realism" of the unions, such as their interest in technology and training, will date back to these experiences. This is a role which might have been accepted with some enthusiasm by the present Government, since its central strategy is based on the idea of well-informed markets, sharing a clear understanding of the Government's objectives. The nature of the council meetings, which tended to party debate rather than exploration, and

the Government's wish to do everything to reduce the self-interest of the unions, proved more important.

The Chancellor may hope that, as well as saving a little money, he is symbolically closing the book on British-style corporatism. Other actions, such as the Nimrod decision and the frosty climate now established for the farm lobby, fit into the same pattern. This Government is not a cosy trading partner.

This is certainly desirable, but it needs to be carried a great deal further if the Government is to be able to claim pure market principles. Nedo had in any case become too peripheral to make a good sacrificial victim; its treatment will cause annoyance, as is already evident, but no salutary shock.

Better chance

What is regrettable is that the Government gave no opportunity in the existence of this well-established tripartite forum. Mr Lawson said that Nedo had become increasingly irrelevant as policies were more and more concentrated on the supply side of the economy; but this is precisely the side of the economy which Nedo, properly directed, should have been able to illuminate.

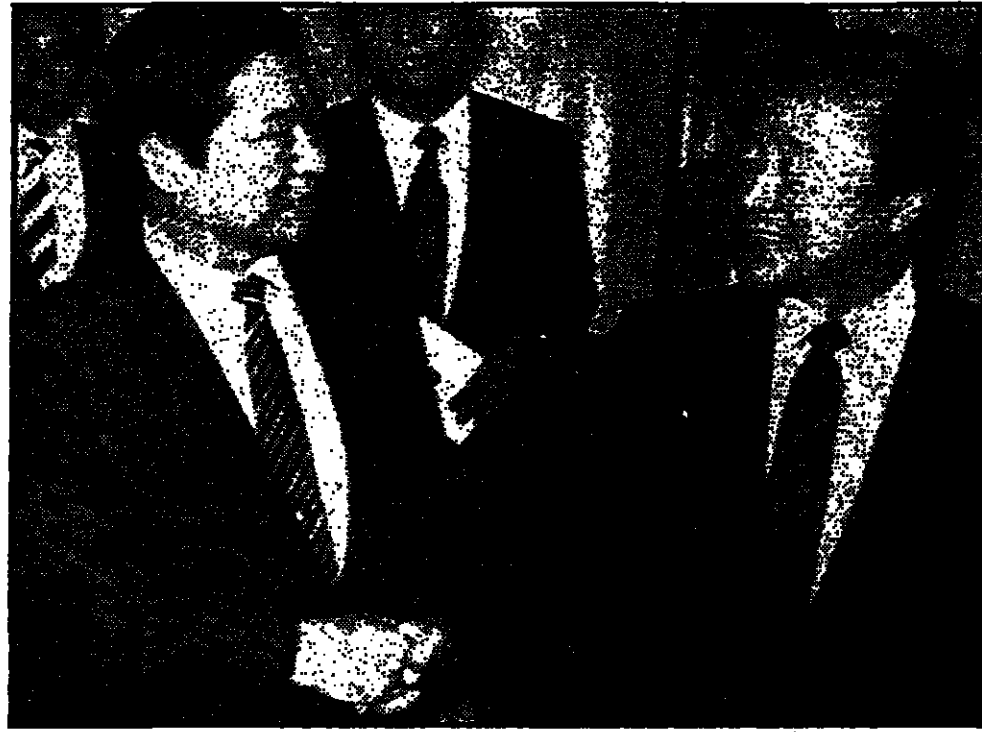
Effective supply side policies can only be built on a detailed knowledge of existing constraints on efficiency. Equally, some of the Government's priority objectives in its new term, ranging from vocational training to the reform of pensions and the health service, will stand a much better chance if information is collected and support generated from those directly involved.

The Government may have other ideas for involving people in its plans, but its action over Nedo does not suggest it. On the contrary, the manner of its decision shows a sad lack of interest in any dialogue in which ministers might hear something which does not harmonise with their own views.

South Korea and democracy

After the euphoria

By Maggie Ford in Seoul



A show of unity: Kim Dae Jung and Kim Young Sam shake hands as President Chun announces his acceptance of democratic reforms

NOT A RIOT policeman or a student demonstrator was in action in Seoul yesterday as President Chun Doo Hwan delivered his speech promising direct elections. Yet, the optimism of the past two days had somehow disappeared. The achievement of democracy is not going to be easy.

At first glance, the President's speech appeared to be all that the opposition could have hoped: direct elections for his replacement when he steps down next February, a revision of the constitution so that the poll will be fair, and a number of other democratic reforms. But much as the President's rhetoric seemed in tune with the popular will, the speech was silent on one key issue: the name of Mr Kim Dae Jung, the leading opposition politician, at present banned from politics under a sedition charge, was not mentioned.

The position of Mr Kim, symbol of the persecution inflicted by the military government, especially during the 1980 Kwangju uprising, is central. For Kwangju is at the heart of the basic problem facing South Koreans in their quest for democracy—whether the military feels secure enough to give up power in the face of the possibility of opposition revenge. The answer so far is, at best, maybe.

That in itself is an achievement for only three months ago the President's decision to call off constitutional revision talks between the main political parties represented a clear "No" to democratic change.

The past three weeks have also established the power of non-violent demonstrations to put pressure on the Government without provoking military intervention. It is a weapon which must be used carefully, but South Koreans feel they have found a way of keeping politicians in check.

They have been helped in their progress towards democracy by the policy of the US Government, which has combined public commitment to democratic change with pressure on President Chun to refrain from using force to quell unrest. Observers believe Mr Chun may have been dissuaded from proclaiming martial law two weeks ago by pressure from President Ronald Reagan.

The US has apparently become convinced that South Korea will be a more stable ally against Communist North Korea, and in the region as a whole, a democracy than if the country continues to be ruled against its will by a military backed regime.

Although a democratic South Korea is likely to be more nationalistic, whoever is president, there is a commitment on all sides of the political spectrum to anti-Communism, a strong defence and the retention of the 40,000 US troops based in the country.

In the short term, the way forward looks fairly clear. The two main political parties, the

opposition Reunification Democratic Party led by Mr Kim Dae Jung and Mr Kim Young Sam, and the ruling Democratic Justice Party led by Mr Roh Tae Woo, must negotiate over the revision of the Constitution and the basic election law. Both parties are already preparing revision drafts and haggling is likely to be complex. Issues range from redrawing election boundaries to deciding the length of the presidential term. Argument will also take place over the timetable for the presidential election, which must take place in December at the latest to allow a transition in February. An agenda for National Assembly and local elections must also be prepared.

Both parties are likely to negotiate as a matter of urgency the separation of powers of the executive, the National Assembly and the judiciary.

At present all three are under the control of the executive. As a result, politicians have no power to engage in serious and judicious debate on the law fairly.

The Government is also likely to face pressure to deliver quickly on its promise to release all political prisoners and to break up the prison, now thought to number about 3,000.

Factionalism in the opposition is likely to prove a serious problem. Although the RDP is jointly led by the two Kims, its members support one or the other and agreement on policies and strategies constantly breaks down.

The ruling DJP has a different problem. Ten days ago at a party meeting to discuss the demonstrations that provoked the move to democracy, mem-

bers were asked for their views on policy for the first time in the party's seven-year history.

Adjustment by the parties to the new situation is vital if negotiations over constitutional reform are not to be bogged down. A delay, affecting the timetable for the transfer of power by the President next February could provide another excuse for suspending the democratic process.

At the same time as conducting constitutional negotiations and internal reform, the parties must decide on their presidential candidates. While Mr Roh Tae Woo, chosen by the ruling party earlier this month as President Chun's replacement, is likely to remain the DJP's candidate, the position of the RDP—whose two leaders each have their own power base—is complicated.

Even if Mr Kim Dae Jung receives an amnesty as Mr Roh has recommended, he is by no means the obvious candidate. Last year, in an effort to spur moves towards democracy, he said he would not stand for the presidency.

Mr Kim Young Sam has a strong power base in the important industrial area of Pusan, and support from the middle-class, who see in him a similar background to their own. He is perceived, however, to lack character and appears to have weak political judgment.

The position of Mr Roh, on the other hand, may well have improved since he put his list of democratic proposals to President Chun on Monday. His plan, widely seen as an effort to respond to the public's demonstration of its wishes, has now been accepted by Mr Chun. The events of the past few days, if followed up by further

genuine efforts at negotiation, will boost Mr Roh's chances. Mr Roh also has one characteristic—formerly seen as a disadvantage—which may yet prove an asset: he is a former general, like the President. That fact may make him better able to deal with the one issue which, in the turmoil of the past three weeks, has not been addressed—the Kwangju uprising.

At the beginning of the Chun regime in 1980, a revolt against the military coup took place in the provincial city of Kwangju, home base of Mr Kim Dae Jung. The uprising, started by students and joined by citizens who took over the city of Im was brutally put down by the military.

By government estimates nearly 200 people died, but local people claim more than 1,000 were killed. As one South Korean said yesterday: "Chun's hands have been stained with blood ever since." Fear of revenge over this incident has troubled South Korea's military ever since, focusing especially on Mr Kim Dae Jung, who was sentenced to death for sedition over his alleged role in the revolt.

A major task for South Korea over the next six months will be to persuade the people of Kwangju to forgive the military for their treatment. Only if the military are convinced that their future will be secure from punishment can democratic take root. Unless these fears can be allayed by the opposition, Mr Roh may seem a better candidate.

Meanwhile, South Koreans, helped by their media, becoming more free by the day, know that if what they see does not please them, the demonstrators will be back.

Toshiba

torpedoed

Shoichi Saba, 68-years-old and the architect of Toshiba's emergence as one of the world's biggest electronics companies, had planned the kind of day company chairmen love yesterday.

He was going to speak to 6,000 Toshiba employees on the 112th anniversary of the founding of the group. Saba likes his troops and they apparently like him, too.

But even before he had arrived at Toshiba's imposing Tokyo headquarters, the news that the US Senate had voted to ban all Toshiba products from the country was out. That did it.

Congress wanted blood for the sale by a Toshiba subsidiary of machine tools to Russia that have since helped build submarines that Nato finds hard to detect. And it got something close to it.

Both Saba and the man, until now, most likely to succeed him, the president, Sugichiro Watari, 62, had been meeting over their resignations as the quiet submarine row worsened. They consulted one last time



The cost of your plane falls mainly on to Spain

Men and Matters

yesterday morning, went off to speak to the masses and then called a special directors' meeting and broke the news that they were going.

"As president of the company I've decided to take responsibility even though I'm not directly responsible myself," said Watari.

Congress will have to judge for itself whether this sudden assumption of responsibility changes Toshiba's weeks-old argument that it cannot be held responsible for Toshiba Machine (the offending affiliate) and so should not be punished. Saba is a big name in Japan and his resignation will unsettle the country's higher echelons. He will probably resign as vice president of the Keidanren, the big business lobby.

It has to be said that of the three men on the podium at yesterday's press conference, the least pleased appeared to be the new president, Joichi Aoi. The 61-year-old senior executive vice president is a specialist in heavy electrical engineering. He joined Toshiba in 1948.

Often smiling, both Saba and Watari called their serious, sowing colleague the "most appropriate man for the job," whatever that means. He certainly does not have an easy time ahead of him.

On board

One company putting a brave face on Saba's resignation is ICI, which, with much fanfare two and a half years ago, appointed him a non-executive director.

The reasons for the appointment—expertise and contacts in Japan and electronics—hold good, ICI says, and he stays on there. But it puts him in the same odd position as Tom Wyman, the American brought in by ICI as a non-executive director a year ago and toppled soon after from his post as chairman of CBS.

ICI's only other foreign non-exec is Walther Kiep, head of the West German insurance firm, Grudmann and Holler. He must be feeling nervous.

Junk market

Michael Milken, the reclusive emperor of junk bonds, has emerged from the obscurity of California's San Fernando Valley to give his first Press interview for as long as anybody can remember.

Milken, 41, who is probably the most enterprising American financier since J. P. Morgan—and no less controversial—had nothing to say about the US Government's insider trading investigation of his activities and his firm, Drexel Burnham Lambert. But in the interview with this week's Forbes magazine, Milken was still irrepressibly the revolutionary who transformed corporate America's access to capital by making markets in blatantly low-grade corporate debt.

Corporate junk, says Milken, is temporarily played out (because the stock market is high and equity is the thing). The new opportunity is sovereign junk.

Making markets in Third World debt is the same as trading high-yield bonds in the early Seventies," he says. "The opportunities are enormous. This is a trillion-dollar market, ten times the size of the high-yield market. There are more than ten countries you can buy for 20 (cents on the dollar) or less. Say the average is 10 cents. At that price, all you need is one out of ten to work out, and you have your money back."

In the air

Now British Airways is well and truly privatised, it has emerged that the airline came

within an ace of being severely embarrassed—not to say damaged—by industrial action by pilots at the time of its flotation.

For obvious reasons, BA has kept quiet about the affair. But so, until now, has Balpa, the pilots' union, because the events in January appear to have ended up doing more harm to the union than to the airline.

Acrimonious correspondence in the latest issue of The Log, Balpa's journal, reveals that no fewer than 21 of the union's "reps" or shop stewards at BA resigned from office after short-term pilots were pulled out from the brink of industrial action on January 5—three days before the airline's prospectus was published.

The pilots had been balloted on action over an unresolved productivity issue arising from their 1986 pay deal. Of about 700 ballot papers issued, some 400 were returned and were in favour of disruption by a majority of almost 10 to one. However, Bill Archer, then Balpa's senior lay official at BA, declared that he would not lead action, as slightly less than 50 per cent of the total membership had voted for it.

This prompted a protest walkout at a crucial union meeting called to launch disruption, and Archer was able to reach a settlement with BA the next day.

At which Lord King, BA's chairman, no doubt breathed a deep sigh of relief that the flotation razzmatazz 48 hours later would not be tarnished by cancelled flights and picket lines. Balpa, meanwhile, appears to have been plunged into a searching and unpleasant internal inquest, with some of the 21 resigners evidently questioning the union's professionalism.

Trevor Phillips, one of the 21 whores in The Log, "The trades union movement does run courses on industrial relations and negotiation. Ought we not to take advantage of the advice given?"

Observer



Business and Politics in Britain

By Wyn Grant and Jane Sargent

Macmillan Education; £7.95 paperback, £25 hardback

IT WOULD be interesting to know whether the resources devoted by British companies to government relations, or lobbying, has increased or decreased during the two Thatcher administrations. In theory the removal of controls and Mrs Thatcher's non-interventionist philosophy should have reduced the need for businessmen to involve themselves, either directly or through their trade associations, in the political process. The downgrading of the trade association, National Economic Development Council, announced yesterday, is in line with this approach. Yet in practice the British economy is almost as "mixed" as it was before.

The institutions of government, especially the sponsoring ministries like the Department of Trade and Industry and the Ministry of Agriculture, remain closely linked to producer interests in the private sector. Moreover, the Thatcher Government has left unchanged many areas in which politicians and civil servants have discretion to favour one company rather than another. Thus businessmen cannot afford not to play the Whitehall game.

In some sectors, indeed, trade associations are used almost as an arm of central government. The task of negotiating so-called voluntary export restraint agreements with Japanese makers of cars and machine tools was delegated to the relevant trade associations. The Association of the British Pharmaceutical Industry has long played a key role in the negotiation of drug prices with the Department of Health and Social Security. The new self-regulatory rules for the financial services industry fall under the heading of "sectoral corporatism"—the privileged access to government of single, organised interests limited to specific sectors of the economy.

As Wyn Grant points out in an illuminating and well-researched book, these examples of trade association involvement in the implementation of public policy have one thing in common: they are ad hoc responses to particular problems and situations. They lack an underlying consistency. This reflects, in Grant's view, the absence of any "legitimising philosophy" governing relations between government and private sector in Britain.

The lack of a corporatist tradition at the national or macro-economic level is at the root of the difficulties faced by the Confederation of British Industry. During the 1970s the CBI greatly improved its internal organisation and its effectiveness, but it never quite achieved the hopes of employers' solidarity which some of its leaders entertained.

The CBI is not helped by the chaotic structure of trade associations and employers' bodies beneath it. In contrast to the orderly system which exists in West Germany. The 1973 Devlin report on employer representation recommended that the CBI should derive its authority "primarily from its place at the head of a hierarchy of associations," but this would have needed a vigorous effort on the part of leading companies to change that constitution of the CBI itself and that of the sectoral associations. Moves in this direction were sporadic and half-hearted.

If under some future government there was a decisive shift towards corporatism, then the incentive for large companies to work through the CBI, perhaps even to reform the sectoral bodies would be greater. Any such shift would involve an enhanced role for the Trades Union Congress and a greater willingness on the part of the two bodies to work together than has been apparent since the formation of the CBI in 1965. Given the present anti-corporatist mood in government, most CBI member companies are probably content with the organisation as it is.

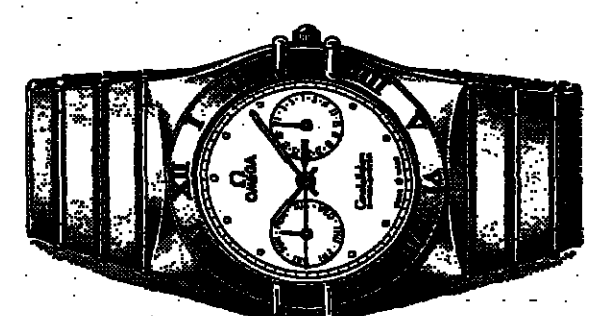
Is Grant right to believe that this untidy structure is a weakness which hampers British economic performance? Some might argue that Britain has the worst of both worlds—too many special interest groups with a direct line to Whitehall, but no "social partnership" stemming from an effective national organisation of both employers and unions which would facilitate a constructive, consensual approach to the country's problems.

Grant refers to an earlier study which compares the individualistic and short-sighted way in which British employers take decisions on wages (and other matters) with the ability of German employers to act collectively and for long-term objectives.

But is there much purpose in lamenting the absence of German corporatism and consensus when British traditions are entirely different? According to Grant the three main features of "democratic corporatism" are: an ideology of social partnership, relatively centralised and hierarchical system of interest groups and the co-ordination of conflicting objectives through political bargaining. These characteristics cannot magically be transplanted to the UK. The National Economic Development Council may just about survive after yesterday's decisions, but for a future government to elevate it either into German-style corporatism or (as some of the founders of NEDC hoped in the early 1960s) into French-style indicative planning looks impossible. It may be better to accept the virtues of pluralism and build on them, not least by curbing the power of sectoral interest groups which can have a distorting effect on public policy.

Geoffrey Owen

Significant Moments



OMEGA MARKS SIGNIFICANT MOMENTS. IN THE OLYMPICS. IN THE SPACE PROGRAM. IN LIVES LIKE YOURS. THE OMEGA CONSTELLATION.



FOR FURTHER INFORMATION CONTACT YOUR OMEGA JEWELLER OR TELEPHONE 0703 61612

ECONOMIC VIEWPOINT



Why the Soviet system will resist reform

By Samuel Brittan

THE SOVIET leader, Mikhail Gorbachev, has had a remarkably good press in the west. This is likely to be increased by his announcement last week of reforms which are supposed to reduce central control of the economy, boost the independence of enterprises and leave many prices to be determined by the market.

Such reforms will, however, be easier to announce than to implement. Just as it is difficult to combine liberal democracy with a state-planned economic system, it may also be hard to combine anything approaching a market economy with the Communist political system.

These difficulties will persist, however sincere the intentions. Their existence does not justify fatalism about the prospects for the Soviet Union, eastern Europe or China. But they do suggest that we should avoid the cycle of over-enthusiasm followed by disillusion, which has overtaken many would-be fair-minded observers of the Communist system in the past.

The exact nature of the difficulties is illuminated by an economist resident in Poland, Jan Winicki, in a paper entitled *Economic Reforms in East and West* (ES Centre for Research into Communist Economies, 2 Lord North Street, London SW1P 3LB).

After reviewing the very limited success of previous reforms in eastern Europe, Mr Winicki examines the incentives to (1) stop the decentralisation of management in the state sector and (2) prevent the extension of the private sector in Soviet-type economies.

He begins by looking at "ordinary" dictatorships. In these the old traditional hierarchy, or the new military police rulers, have found simple ways of benefiting. They obtain higher salaries or more perks, modern professional equipment or articles of conspicuous consumption.

These privileges exist in Soviet-type economies for the police and military. But there are two other groups—the party officials and the economic bureaucrats—who have a vested interest in interfering in the economic system and who do not exist on the same scale in conventional dictatorships.

These groups gain partly through a system known by the unflattering name of *nomenklatura*, and one which is misused by western economists who look entirely at pricing rules, output decisions and the like. *Nomenklatura* is the right of the Communist Party to recommend and approve appointments to all management positions. This system severely limits the pool from which managers can be appointed and encourages the loyalty and time-serving of the *nomenklatura*.

Mr Winicki estimates that 750,000 posts are covered by *nomenklatura* in the Soviet

Union and 250,000 in Poland. In the latter country the number has increased in recent years to buy the acquiescence of the petty bureaucracy in the limited reforms that have taken place since the rise of Solidarity.

Party officials and bureaucrats also gain through various kickbacks. These are benefits which are necessary and desirable only in a shortage economy. They may include deploying workers to build a country house, the supply of a city apartment at a low price, or a car at the official price.

The substitution of market prices or interest rates for targets and norms reduces the number of jobs in industrial ministries and "unions of enterprises," and reduces the scope of party patronage. Moreover, if enterprises were held strictly accountable to budget constraints, the costs of kickbacks and privileges would become all too apparent.

A further subtlety is that it is the middle-level bureaucrats and party officials on whom a reforming Communist leader

depends to implement reforms. In terms of the *Politburo* Minister programmes, it would be as if change were obstructed by thousands of petty Sir Humphreys at offices and factories throughout the country.

The poor performance of Soviet-type economies does provide quite genuine pressure for reforms from the top. Mr Winicki shows that these economies use twice as much energy and three times as much steel per dollar of gross domestic product as western European ones. Moreover, as economic growth increases the importance of innovation and flexibility, relative to economies of scale, the disadvantages of Soviet-type economies increase.

The industrial sector becomes overgrown relative to services, and compared with western economies at similar stages of development, thus boosting further demand for imported materials and components. There is a temptation to postpone the day of reckoning by maximising the use of western credits. But this does not solve

underlying problems such as the market price of their efforts) obtainable in state enterprise.

Mr Winicki does examine the possibility of extracting economic rent in substitute form, for example by taking bribes for permission to open a private restaurant, repair shop or small factory. Obviously this happens. But the method, being clearly criminal, is much more dangerous than the legal or semi-legal ways by which kickbacks are obtained from state enterprise.

The Polish author details the mock reforms by which existing perks are preserved and genuine markets kept at bay. They include "pseudo-reorganisation," reducing the number of "plan indicators" without actually substituting price and profit incentives. Another example is abolishing plan targets, but retaining the rationing of materials and components.

Am I being too imaginative in seeing a British analogy in the bureaucratic reorganisation of council and rented housing, local authorities and education planned by the Thatcher

Government, because it fears to introduce genuine market forces in these areas?

The propaganda put out by the hard-liners to resist moves to market socialism will also strike a chord in the west. Such moves are said to increase inflation, which they only bring out in the open, or "increase inequality," when they mainly improve the position of those in smaller enterprises at the expense of employees of large organisations.

There are some similarities too between the British privatisation debate and the discussion of Soviet economic reforms. One conclusion of the former is that both more competition and transfer to owners who have a personal interest in financial success are required to improve performance. There have been many earlier attempts to get UK nationalised industry bosses to behave as if they were privately owned competitors, for instance the Treasury White Papers laying down marginal cost pricing and the discounted cash flow test for investment. But the result was like painting black and white stripes on donkeys and expecting them to behave like zebras.

Mr Winicki is very careful to base his arguments on economic analysis, including the modern analysis of property rights and public choice. But the conclusion is drawn that successful reform of Soviet-type economies presupposes political reform on which he speculates a little.

One possibility is that, in view of the large and increasing costs of the present system—perhaps leading to negative growth rates—Communist

JOE ROGALY

They should join Labour

MR NEIL KINNOCK should now invite the Liberals and what is left of the Social Democrats to join his Labour opposition in a grand alliance. If he does, they would do well to accept—on terms. Mr KinnoCK will of course have to make an offer or two, and before that he must change the Labour Party's constitution to provide for one man one vote. The Social Democrats may not have existed if such a rule had been in force 10 years ago, for they would have had every incentive to stay and fight their ideological battle inside the party from which their leaders sprang.

It would, however, be a mistake to assume that the misfortune that is threatening to extinguish the SDP means that Labour can afford to sit back and wait to scoop the pool. For some SDP supporters will go to the Liberals whether or not the Alliance partners merge into a new party, while others will either turn Tory or go home and stop voting.

Mr KinnoCK must therefore choose one of two strategies if he is to stand a chance of victory. All others lead to a further crushing defeat for Labour. The first, and least certain, strategy is to carry on turning Labour into the best imitation of a continental social democratic party that he can manage. The influence of the trade unions must be further diminished. The London Left must be liquidated. The final vestiges of nationalisation would best be jettisoned. The majority of the party must openly endorse the concept of exploiting the market as a force for generating wealth that can then be directed towards the objects of Mr KinnoCK's off-proclaimed compassion. In short, policies for the 21st century must replace those originally designed for the 19th.

All of this is difficult. None of it should be impossible in a party that has, for example, embraced the concept of council house sales at huge discounts to sitting tenants, or for a leader who fought the recent election on the least socialist programme since the war. The trouble is that such a strategy cannot by itself guarantee success. A lot will depend upon the extent to which the Liberals plus any SDP rump manage to

retain the support of, say, 15 to 20 per cent of the voters. There are other impediments: the performance of the Government, for example, or the extent to which Labour's hard Left frightens people away. It is a gamble.

Mr KinnoCK's best hope lies in a Rooseveltian coalition of the three national opposition parties. This should bring in virtually everyone to the left of the Conservatives, and perhaps even some of the Celtic nationalists. There are many Alliance policies that could be accepted by a KinnoCKed Labour party, of which general constitutional reform including a touch of devolution is possibly the easiest and proportional representation perhaps the hardest to swallow. (The Left of the Labour Party, although not Mr KinnoCK, is now coming to see the merits of PR, presumably as a means of giving a voice to a future pure socialist party.) There remains the little matter of defence—but, again, the Liberal half of the Alliance would mostly be quite comfortable with a quasi-unilateralist policy, and, anyway, the whole debate may change if there is an agreement to reduce nuclear weapons in Europe.

The upshot would be that the voters would be offered a credible opposition at the next election—although the force of such a KinnoCK alliance would be felt in public and Parliamentary debate long before that. Britain would have two parties rather like Europe's Christian democrats and social democrats, with the prospect of a multi-party system after a PR election the following time around. In any such PR election the coalition that won power for Labour under first-past-the-post voting should be well placed to win again.

Some people will protest that the net effect would be to reverse the Thatcher revolution. The truth is that entirely the opposite would have happened: mainstream political debate would at last centre around a general acceptance of both markets and capitalism. What is required is for Mr KinnoCK to grasp the opportunity. If he does, the best advice anyone can give the troubled Alliance is—join Labour.

Takeover bids

From Mr J. Rhys-Burgess

Sir—When will people like Mr Palamoutain (June 25) realise that, strange though it may seem, a public company is not a corporate corporation which exists for the benefit of its employees, and the management which shareholders employ to run their companies, are not the final arbiters of what is or is not in their best interests.

Ultimately, all companies, public or private, are owned by individuals, whether directly, or vicariously, through managed funds. It is for the shareholders, and for the shareholders alone, to determine whether or not an offer is to be accepted. In this sense, it is nonsense to think in terms of the "contested" bid. Contested by whom?

As Lord Hanson observes (July 1) all too often, the only objection to a bid comes from its incumbent management. If, in conjunction with trade union representatives, and this surely should always give rise to a prima facie suspicion that the objectors are merely seeking to preserve the status quo, and the not inconsiderable pecuniary benefits and work practices they enjoy under existing arrangements.

The most reprehensible aspect of the "contested" takeover that shareholders have absolutely no redress against incumbent managements who squander their company's funds in advertising propaganda and consultancy fees when seeking to oppose a potential bidder. J. C. H. Rhys-Burgess, Craig-y-nos, Llangamarch Wells, Powys.

Distributing cash

From Mr J. Stern

Sir—Lex (June 29) encourages firms to distribute cash dividends to shareholders to enhance share prices. This is based on Ben Ball's research in the current issue of the *Harvard Business Review*. Fortunately, his findings can be interpreted with the exact opposite conclusion.

No serious researcher has ever concluded that share prices are always unrelated to dividend distributions. What we know from numerous studies is that values are based on expected future cash generation and the risk incurred to achieve it. The latter presents management with a required rate of return to compensate for risk. If expected returns from cash generation

Letters to the Editor

exceed the required return, the share prices are higher; the more investment that is committed and thus, the less dividends that are distributed.

Lex tells us "Hold some profitable US blue chips and you will end up on welfare." Tell this to the shareholders of Digital Equipment and Federal Express, who have over paid—by a Capital Cities Communications that pays 4 of 1 of one percent dividend yield and whose shares have increased from \$30 in 1975 to \$385 today (an earnings yield of 8 per cent) and the surprise will be obvious.

The dominant price-setting investors—the lead steers—want retention if returns on retentions are superior. Warren Buffett, chairman of Berkshire Hathaway, has his shares trading at \$3500, the highest anywhere. He has never paid a dividend and hopes to never begin.

Joel M. Stern, Stern Stewart and Co, 555 Park Avenue, New York 10022, NY.

Radical Russian restructuring

From Professor V. Ivanchenko

Sir—Your Moscow correspondent's article (June 24) on restructuring in the Soviet Union is an interesting contribution to the discussions on this subject in the west.

Radical restructuring of economic management in the Soviet Union certainly aims at enhancing the role of market relations in our economic mechanism. This does not, however, contradict the planned development of the Soviet economy.

Centralised planning will continue to engage in its direct concerns, such as the long-term perspective, improving the balance and methods of the economy overall, preparing and organising work in our major scientific, social and economic programmes, and working out economic regulations and norms, etc.

The market mechanism meanwhile—through direct economic ties, contracts, wholesale trade, co-operatives, and other forms and methods—will service production, consumption, exchange and distribution as part of the organically integrated economic mechanism. In this situation the plan and the market, economic relations with a planned character and commodity-money

relations, are not opposites but interlinked elements of a single whole.

It has to be admitted that before the reconstruction of economic management, the role of the market mechanism and of direct links between producers and consumers was underestimated in our country. The role of competition between producers to win the consumer was underrated too.

Western economists often state that the extension of market relations in the Soviet economy means reversion to capitalism. But the opposite is true. It should be pointed out that it is precisely the "free" capitalist market that is more and more helped along by state centralised regulation or planning, for example, in restricting monopoly, conducting finance and credit policy up to fixing bank rates, setting quotas, embargoing the export of technology, applying customs restrictions, and conducting scientific and technological R and D.

The aim of the Soviet Union's restructuring drive or perestroika, however, is to form a socialist market whose objectives, forms and methods complement the specific features of the planned economy. The main goal is to include direct producer-consumer and producer-trade organisation relations in the planning mechanism. This will impact dynamism and flexibility, and will focus on specific, not average, consumers. The efficiency of our economy will rise correspondingly.

Vassili Ivanchenko (Professor), c/o Novosti Press Agency, 119021, Moscow.

More woolly thinking

From Mr R. Macdonald

Sir—I have followed with interest recent letters on the potential for United Kingdom goat farming. There are several points to note.

New Zealand requires a flock of 10m goats to meet the demand for fibre markets—we currently have 750,000 goats of which only several hundred have been exported to the UK. It is correct that goat values have fallen in New Zealand—the main cause has been due to the drastic reduction in tax write-offs available to investors. Prior to December 13, 1985 New Zealand investors could depreciate livestock values to a standard value which, in the case of

stud goats, was often only 5 per cent of their cost. The depreciation could be written off against other income and attracted much city investment. With this incentive removed, the demand for livestock has fallen and a consequential fall in livestock values has resulted.

Commercial mohair production has increased in New Zealand by 41 per cent during the last June/June year to 197,500 kg—this is a positive market signal for real commercial growth.

United Kingdom mohair growers now have a 5 year lead over New Zealand and Australia because they have in place recently imported excellent Texas/Canadian bloodlines. These lines have great genetic value because Texas has been improving their Angora goats for over a hundred years. The world is in short supply of high quality mohair and there is great potential for the United Kingdom to diversify into goat farming, offering the world superior genetic material and fibre for local consumption.

Every kilogram of high quality domestic mohair produced in the UK helps reduce the UK's dependence on imports.

United Kingdom's climate is not unlike parts of New Zealand where large numbers of goats are being farmed successfully.

In summary, there is a great future for the UK to become serious about angora goat production—using its international reputation for excellence in livestock farming.

Richard Macdonald (Immediate Past-President, Mohair Producers Association of New Zealand), c/o 70, Bridge Street, Dollar, Clackmannan.

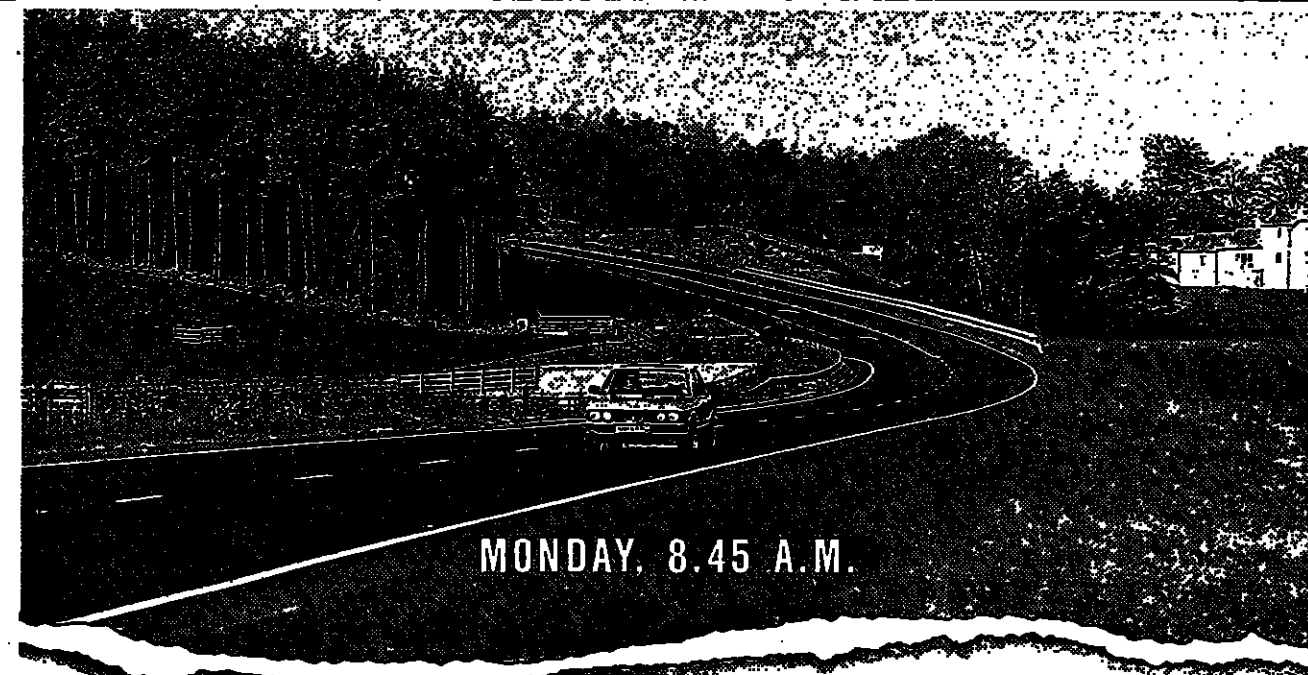
Reforming the rates

From Mr M. Shields

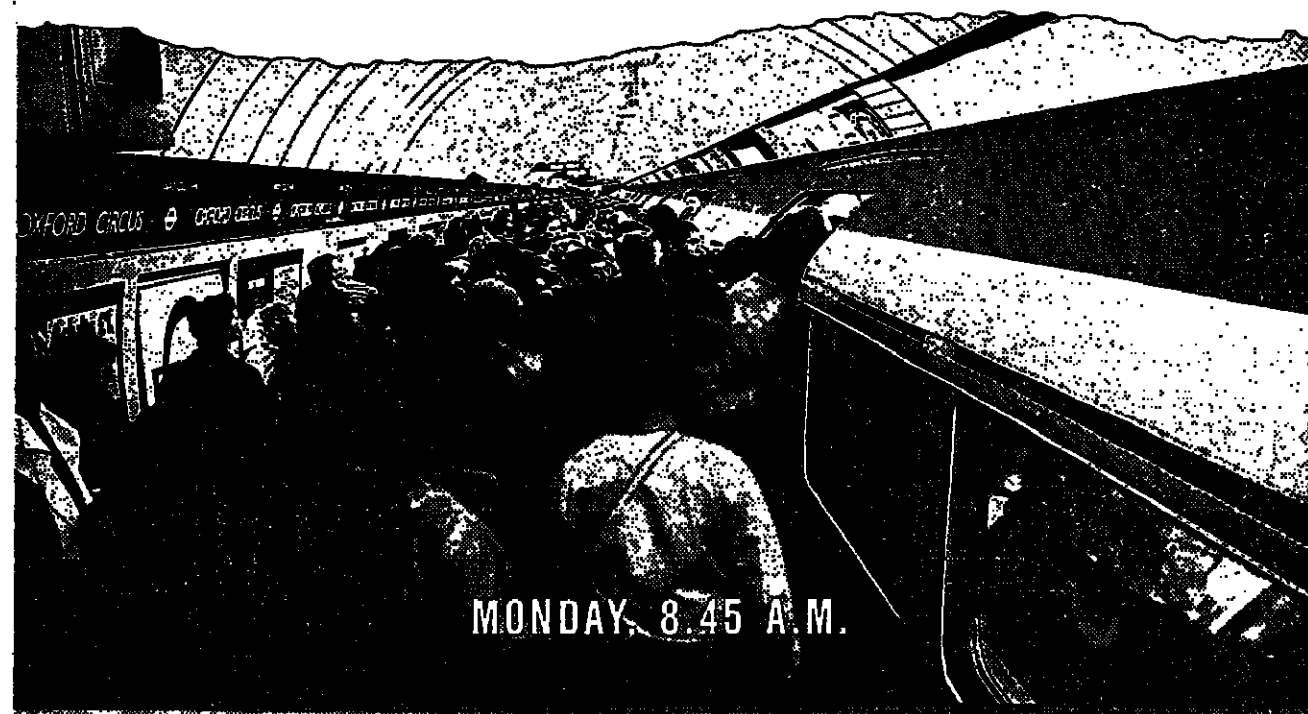
Sir—In all the future over rate reform, one point is being consistently overlooked: the overbearing local authorities at the root of the problem could not be so prodigal had they to raise all their revenue from electors. Of course, the majority of their funding comes from business, which has no say at all in how it is spent.

The real solution, therefore, is not rate reform, but voting reform. Any proposal to introduce a business vote, however, would elicit more screams of horror than even the so-called "poll tax" has. "One-man-one-vote" is one of the many slogans used as a substitute for thought by most politicians. That said—whatever happened to "no taxation without representation?"

Mike Shields, 159 The Long Shoot, Nuneaton, Warwick.



AYCLIFFE AND PETERLEE. WHERE THE NORTH-SOUTH DIVIDE REALLY SHOWS.



The North-South divide is all in the imagination, of course.

Or is it?

If you're relocating people to the Aycliffe and Peterlee Development Corporation area, just imagine their delight at the improvement in their lifestyles.

Instead of the rush hour brawl,

the open road. Instead of a compact and overpriced house in mid Suburbia, a large prestige home on the coast or in the countryside.

Make no mistake, the North-South divide does exist.

And at Aycliffe and Peterlee, it really shows.

**AYCLIFFE
PETERLEE**
DEVELOPMENT CORPORATION

FOR DETAILS OF GRANTS, FINANCIAL PACKAGES AND BUSINESS PROPERTIES AVAILABLE, CONTACT: KEITH SUMNER, THE AYCLIFFE AND PETERLEE DEVELOPMENT CORPORATION, THAMES HOUSE, NEWTON, AYCLIFFE, CO. DURHAM DL5 6AW. TEL AYCLIFFE (0325) 312521.

Antrak Group
EXPORT & SHIPPING SERVICES
Millard House, Collier Street, London E1 7DU
Telephone: 01-329 2787 Telex: 835205

FINANCIAL TIMES

Thursday, July 2 1987

DAIWA BANK
A fully integrated banking service
Head Office: Osaka, Japan
London Branch: Tel: (01) 622-5599
Frankfurt Branch: Tel: (069) 651-2131
Paris Branch: Tel: (01) 4296 15 73
Daiwa Bank (Central Management) Limited, London
Tel: (01) 4296 15 73
Daiwa Finance AG, Zurich: Tel: (01) 271 03 11

US sails into murky waters of the Gulf

LAST NOVEMBER, when Kuwait quietly approached the US to find out whether it would agree to put American flags on Kuwaiti tankers, the response was left to the US Coast Guard. It was only when it emerged that Kuwait had secured a commitment from Moscow to lease three Soviet vessels that Washington began to pay serious attention to the Kuwaiti proposal. There followed a US decision to put American flags on 11 Kuwaiti tankers and to provide US Navy escorts for them.

From such small beginnings, the Reagan Administration today finds itself embroiled in a controversy which has served only to reinforce doubts about the judgment of the people conducting American foreign policy.

At home, the reflagging proposal has stirred bitter memories of the ill-fated decision to commit US Marines to Lebanon. When a bomb destroyed their barracks in 1983, 242 died. The initiative ended early in 1984 with the ignominious withdrawal of the Marines and widespread criticism of the decision to send them on an ill-defined mission.

Fears that the Administration has lapsed into old thinking into a commitment to Kuwait have also triggered older memories of the infamous 1964 Gulf of Tonkin resolution which helped propel the US into the Vietnam war.

There have been demands on Capitol Hill for the invocation of the War Powers Act. This 1973 law was designed to force a president to consult Congress before sending troops into a conflict.

The President appeared in the White House press room personally to make the announcement, a move which seemed designed to demonstrate that he is prepared to



Senator Sam Nunn

ican forces in a situation where military confrontation and the loss of American lives was judged a strong possibility.

Abroad, too, there has been a signal lack of enthusiastic support for the American initiative in the Gulf. At the Venice Summit, America's allies blandly expressed support for freedom of navigation in the Gulf. There was no endorsement for the Reagan Administration's intention to achieve this through the reflagging of Kuwaiti ships.

Congress is making its reservations felt. On Tuesday, the bipartisan leadership of the House and the Senate went to the White House to consult with the President, only to be told that the delay they were seeking was not under discussion. White House officials concede that the House and the Senate at the meeting had expressed support for the reflagging.

Moments later, in a carefully orchestrated display of unity,

the Administration's top foreign policy makers, Mr. George Shultz, Secretary of State, Mr. Caspar Weinberger, Secretary of Defense, Mr. Frank Carlucci, the National Security Adviser, Judge William Webster, the new director of the CIA and Admiral William Crowe, chairman of the Joint Chiefs of Staff, all descended on the White House press room to convey the same message to the public.

But the Administration's attempts to sell its policies have not been well thought through. It has offered a confusing variety of rationalisations for the reflagging operation and the decision to supply American military escorts. Each has run into coherent criticism, notably from Senator Sam Nunn, who has taken on the role of shadow Secretary of State on Capitol Hill.

The foremost defence is that the White House wants to ensure the flow of vital oil through what Mr. Reagan has called a "choke point of freedom" for the West. The Straits of Hormuz, Mr. Nunn's response is that only 1 per cent of Gulf shipping has been disrupted in recent years by the tanker war.

Moreover, the Georgian senator points out that the Reagan Administration is not even sure if the Gulf is a threat. It is Iraq, not Iran, which is threatening freedom of navigation, he says, another principle the White House claims to be defending. So why is Washington lining up against the Iraqis?

The White House claims that it had to respond to the Kuwaiti request or cede influence in the Gulf to the Soviet Union. Senator Nunn retorts that if reflagging the Kuwaiti ships provokes Iran into an attack on the newly minted US vessels or their escorts and leads to a US-Iranian

The US decision to reflag some Kuwaiti tankers passing through the Gulf has reinforced doubts about American foreign policy and prompted criticism both at home and abroad, reports Stewart Fleming, US Editor, in Washington

military confrontation, Washington will be the loser, for it will be driving Moscow and Iran closer together.

If Administration policy is as muddled as its critics say, how did the White House blunder into it?

Analysts say the explanation is partly that the Reagan Administration has never seriously addressed the Middle East issue except as a facet of US-Soviet relations which has obsessed policymakers. It has therefore lacked expertise and understanding of the complex politics of the region at the highest levels.

Moreover, a note of urgency has been injected into Middle East policy considerations by unmistakable evidence that Moscow is playing a much more effective diplomatic role in the region. Experts point out that the Soviet diplomatic offensive in the area is at least two years old, but Washington has only re-

cently begun to face up to the implications.

The most complicating factor has been the horrendous damage done to US credibility with the moderate Arab states by the arms-for-hostages deal with Iran. This has forced the Administration to face up to the vital task of restoring American prestige and influence.

These new perceptions have produced what is in some respects a more positive approach from Washington. Thus, with the Syrians signalling a more reasonable stance on the issue of terrorism, Washington has wasted no time in trying to improve relations with a state whose influence is pervasive in the region.

Similarly, in spite of its reservations about the prospective role which Moscow might play, the US has not rejected out of hand the idea of an international peace conference aimed at trying to bring about a settlement of the Arab-Israeli conflict.

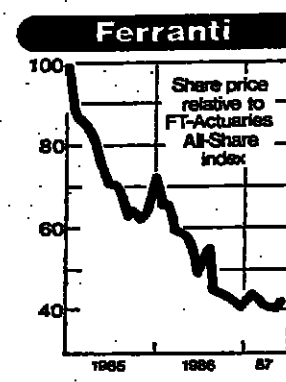
All of this, although belated, is heartening. But there are few Middle East experts who are anything like as generous in their assessment of the reflagging operation.

The bottom line, some say, is that Washington is entering into a commitment from which it cannot withdraw without jeopardising its status as a superpower, such is the importance of the Gulf to the West. But it is doing so without that depth of domestic support which would provide some assurance that the US could live up to the far-reaching commitments implicit in the choices it is making.

Perhaps, as Senator Nunn hopes, there is still time for a diplomatic solution.

THE LEX COLUMN

A clearer screen at Ferranti



The little bit of relative strength shown by Ferranti's shares yesterday - rising 6p to 139p while the rest of the market fell - is barely discernible against the underperformance of the last couple of years. The former high flyer has been well and truly grounded. But the message from the group, which like GEC on Tuesday held its first results press conference, is rather more encouraging than for some time.

The rise in profits in 1986-87 from £41.1m to £50.2m was patchy enough not to merit over-enthusiasm. Loss elimination is a continuing process at Ferranti where new holes appear whenever old ones are plugged. At least some of those gaps can be justified as the cost of entry into new markets. And no one could be blamed for losing money in the US semiconductor market last year. A bounce back in electronics from last year's £300,000 to above the previous year's level of £3.7m, and some recovery in the offshore oil business now that the oil price appears more stable, help current year forecasts to £55m pre-tax without pinning too much on real growth.

For a re-rating, though, Ferranti must wait quite a while yet. It needs to prove it can expand its market shares - for instance under the new Ministry of Defence ordering system - and that it will take time given the delays in placing business. Meanwhile the shares will be subject to every rumour going on defence contracts. Counteracting that are the repeated bid stories. Between the two, the prospective multiple of under 16 looks neatly balanced.

Touche Renmant

The sacking of Mr Peter Gray may not be the end of the saga of the troubled Touche Renmant. Managing investment managers is not easy, and the company is having to negotiate a lengthy period of transition. Until two years ago it was a co-operative of independent fund managers, which own it, but now it is a commercial operation and within about another three years aims to be launched as an independent listed company. The metamorphosis is not proving easy.

A large number of executives have been hired in the past two years, and have been promised a stake in the flotation proceeds.

when they materialise. So it was quite a blunder last year when negotiations were entered into for a takeover by Metropolitan Life, said to have been worth more like £100m than the £30m at which TR is currently carried in the books of the trusts. The deal would have suited the trusts but would have wiped out most of the executive options. Not surprisingly there was a row.

Back on the long and winding road to flotation, TR now has to cope with two joint managing directors, while the chairman, Lord Remnant, is also chairman of three of the trusts, so that he needs a vice-chairman of TR specially deputed to talk to the increasingly restive major institutional shareholders in the trusts. This new vice-chairman, Mr Paul Manduca, also happens to be manager of the biggest trust, TR Industrial and General. Such a tangled relationship and responsibilities does not exactly come out of a management textbook. Three years may be too long to wait for a clarification.

Bristar

Bristar is such an attractive and logical (and yet materially insignificant) repackaging of S & W's food and agricultural agribusiness activities that it is tempting to deduce motives of defence or demerger. But arguments that a separate management identity within a larger group need not signal separate flotation resemble those at Bricom, the sound-alike creature which no one expects British and Commonwealth Holdings to let off the lead, yet.

Chicago hog butchers found a

use for everything except the squeal, and Bristar has something similar in mind for the humble sugar beet. With Brussels unlikely to redistribute quotas in British Sugar's favour, the company is surely right to squeeze every last drop of value from unchanging output. As for other crops, farmers should squeeze themselves if they foresee a windfall from plans to convert their straw into briquettes. It is hard to envisage a competing buyer as scorched earth follows hedgerows to rural extinction.

British Sugar's flood of medium-fetched ideas, including substituting home-grown lupins for transatlantic soya, suggests overreaction to years of operational management boredom. After all, it only discovered last year (to Tate and Lyle's relief) that a dominant market position meant it could actually raise margins on sugar. Bristar shares added 2p to 375p in a market that was not officially informed of the re-organisation.

J Rothschild

Now that J Rothschild has become little more than an investment trust, its profit figures have become a strange mixture of the mysterious and the uninteresting. But with the profits comes the asset valuation, which gives some idea of whether the strategy of moving from investment house to own-account dealer has worked. Only some idea, because Rothschild does not design to publish up-to-date asset valuations, as a true investment trust would.

The 25 per cent gain in asset value in the year to March is no better than the UK equity markets, which is not too impressive for a company that has geared up in a bull market, and has an unusually rich range of contacts at the highest levels. The problem, in retrospect, was underinvestment in the UK and overinvestment in the US. But keeping pace with the All-Share is better than shareholders would have experienced if Rothschild had not sold off its merchant banking activities. Assuming a reasonable ride in the markets since March, and a successful flotation of the leasing subsidiary, the share price, unchanged at 200p, is at a discount of only about 13 per cent to asset value. That suggests that the recent striking outperformance of the shares has run its course.

Reagan names Bork for Supreme Court

BY STEWART FLEMING

PRESIDENT Ronald Reagan yesterday nominated a staunch conservative, Judge Robert Bork, to succeed Justice Lewis Powell as a member of the Supreme Court.

The decision signalled Mr Reagan's determination to try to ensure that his political philosophy continues to influence American public life after he leaves office.

The President appeared in the White House press room personally to make the announcement, a move which seemed designed to demonstrate that he is prepared to

back the appointment to the hilt if necessary.

Judge Bork, an Appeals Court judge, has been highly critical of many Supreme Court rulings, including the 1973 decision which legalised abortion. He could face a fierce grilling in the Senate Judiciary Committee, which will hold hearings into the nomination. The nomination must be approved by the Senate.

Conservative supporters of the President had seen the appointment of a new Supreme Court Justice as an opportunity to tip the balance of the Court to the right on several social poli-

cy issues. Liberals' on Capitol Hill have given warning that they will oppose and delay the appointment should the President try to do this, although there are doubts about whether they could succeed in blocking it.

Mr Reagan appears to have rejected the advice of officials who favoured the nomination of a more moderate figure than Judge Bork in order to try to speed up the nomination process. Instead, the President seems to have decided to nominate an individual behind whom his Conservative supporters can rally.



Ronald Reagan

China takes fright at increase in birth rate

By Robert Thomson in Peking

CHINA HAS foreshadowed a weakening of its controversial population control programme following an unexpected increase in the country's birth rate.

Second births rose by 29 per cent last year, the figure is believed to be higher this year, making it unlikely that China will reach the target of keeping its population below 1.2bn at the end of the century.

The official China Daily reported yesterday that the upsurge in second births is jeopardising the family planning programme and said officials have been urged to take effective measures to put an end to "extra babies". It was not made clear what the Government meant by effective measures.

Restrictions limiting each family to one child have been eased slightly in the last two years in several provinces, but the leap in the birth rate has surprised the Government. According to the state statistical bureau, 89 per cent of extra births are in the south, where the number of third children in Guangdong province, in the south, increased by 60 per cent.

The Chinese Government has been condemned for tolerating forced abortions and for policies that encourage female infanticide, although it maintains that these practices are forbidden. However, the Government concedes that over-zealous officials have forced women to have abortions.

Increasing wealth has made mandatory fines more tolerable for couples who have more than one child. Couples agreeing to have a single child are given subsidies and allowances of up to 40 per cent of their income. If a contracted couple has a second child, the bonuses are forfeited.

Diplomats are unsure what new measures the Government will take, although controls are certain to be tightened in regions where restrictions have been relaxed in the past year, and monitoring will increase. The pressure on women to bear male children is particularly great in backward areas, where daughters are thought of as useless or even a loss, in that they are not as productive in the fields and become the property of their husband's family after marriage.

NEWS REVIEW

Business

Ferranti to weld US link

Ferranti plc has entered into an agreement with Allegheny International Inc to purchase the whole of Allegheny's shareholding in Sclay Bros Inc of Chicago, Illinois. Sclay manufactures welding systems based on resistance, fusion arc, electron beam and laser technologies and sells to aerospace and high technology industries in the US and overseas.

Boeing agreement

Ferranti Computer Systems, Bracknell Division, and Boeing Aerospace Company have concluded an agreement jointly to develop data processing concepts applicable to advanced optical surveillance systems. Boeing, the prime contractor for the US Army's Airborne Optical Adjunct (AOA) experiment, a key element of the Strategic Defence Initiative, will provide system design requirements as well as system level designs.

Briefly...

HM Customs and Excise has chosen the Ferranti Computer Systems T2000 range of intelligent systems and workstations for its prestigious Strategic Terminal procurement.

The Brazilian Navy has ordered two more Ferranti Computer Systems KAFS Action Information Organisation and Fire Control systems for its Type 206 submarines.

ADVERTISING

RESULTS

Good year for Ferranti

Yesterday's preliminary announcement from Ferranti reported that turnover, profit and earnings per share have all advanced satisfactorily. Good progress across all activity resulted in turnover up by 6% to £628.7m and profit before tax up 22% to £50.2m. Computers and defence both achieved higher levels with profits 16% and 17% better. Offshore Industries continued with continuing depression but Industrial Electronics increased profit by 82% on reduced turnover. Instrumentation doubled operating profit. Ferranti Electronics had another difficult year but recovered from £1m loss

AVIONICS

Penetrate with stealth

Passive Enhanced Navigation with Terrain (PENETRATE), a covert mission avionics system being marketed by Ferranti Defence Systems, Display Systems Department, challenges the role of radar-based terrain following systems for ground attack strike aircraft. Drawing on the company's considerable experience in its integration of airborne navigation, display and electro-optical sensors, PENETRATE will enable strike aircraft to achieve maximum surprise, hitting their targets when least expected at night and in poor visibility.

The good news is FERRANTI

Selling technology

Honda to export US production to Japan

BY JAMES BUCHAN IN NEW YORK

HONDA, the Japanese motor group, announced yesterday that it would soon begin exporting US-made motorcycles to Japan in a small but significant reversal of trade flows.

The company, which is now the largest maker of vehicles in the US after the Detroit Big Three, said it would begin exporting high-powered Gold Wing motorcycles back to its home market next year. Around

500 of the 1200cc models, manufactured at Honda's plant at Marysville, Ohio, will make up the initial order, said Mr Yoichi Aoki, an official of Honda North America in New York.

Yesterday's announcement comes amid growing speculation that Japanese manufacturers would start shipping US production home in response to the drastic devaluation of the dollar, which has declined over

40 per cent since the Ohio plant opened at the end of the 1970s. The devaluation - as well as protective tariffs and a tight hold on costs - has helped reverse the flow of trade in the superbike market. Harley-Davidson, Harley yesterday celebrated its return to favour with a listing on the prestigious New York Stock Exchange and a motorcycle parade down Wall Street.

Japanese firms head league of Eurobond issuing houses

BY ALEXANDER NICOLL, EUROMARKETS EDITOR, IN LONDON

THREE Japanese securities firms headed the league table of Eurobond issuing houses in the first half of 1987, underlining the rapid inroads being made by Japanese financial institutions into international markets.

The European subsidiaries of Nomura Securities, Daiwa Securities and Yamaichi Securities - ranking first, second and third respectively - between them led more than a quarter of the \$90.4bn of Eurobonds issued.

Despite difficult market conditions, particularly in the dollar market, the issue total almost matched the pace of last year's record volume. This highlighted the growing role in international bond markets of currencies such as the yen, sterling and the Australian dollar.

Japanese houses reject charges that they have bought

their market share - the 1986 rankings of the three leaders were second, first and second, respectively, through undercutting the competition.

Intense competition in the Eurobond market has, however, put growing pressure on the profitability of many participants. The latest data highlights huge changes in the structure of the Eurobond market which have heightened that pressure.

Houses specialising in dollar bonds have faced a poor market for fixed rate issues and a slump in the floating rate note sector. According to figures compiled in New York by I.D.D. Information Services, issues of Eurodollar bonds fell sharply to \$34.6bn during the first half, compared with \$114.5bn in the whole of 1986.

The yen, meanwhile, has increased its share dramatically to \$17.6bn, approaching the

\$18.7bn worth issued in the whole of 1986.

The growth of the yen sector and the move to convertible into equity or with equity warrants attached has helped Japanese firms. They have huge investor bases at home for yen securities and can also command the loyalty of Japanese corporate issuers wanting to issue equity-related debt.

The growth of sectors such as sterling and the Australian dollar have boosted the positions of some British banks, including S.G. Warburg, which rose from 18th to ninth. Some well-established firms, such as Credit Suisse First Boston which has slipped from the top position, have fallen down the tables. Three prominent US investment banks, Merrill Lynch, Shearson Lehman and Goldman Sachs, have dropped out of the top 20 lead managers. Eurobonds, Page 19

Marcos loses Swiss appeal over \$1bn

BY WILLIAM DUFFLOR IN GENEVA

SWITZERLAND'S Federal Tribunal dismissing appeals by Mr Ferdinand Marcos, yesterday upheld decisions by Swiss cantonal authorities to provide the new government in Manila with legal assistance in recovering some \$1bn, alleged to have been obtained illegally, and transferred through Swiss banks by the former Philippines president.

Five federal judges ruled unanimously that bank secrecy could be lifted and that the assets of the Marcos family and associates in the cantons of Geneva, Zurich and Fribourg should remain blocked while

investigations continued. The supreme court ruling removes an important hurdle to the government of President Corason Aquino but Marcos lawyers can be expected to file fresh appeals against the handing over of documents and any eventual decision to allow the repatriation of monies.

Mr Marcos, his wife, Imelda, and two associates, Mr Roberto Benedicto and Mr Ignacio Jimenez, had filed nine appeals against the provision of Swiss legal assistance, claiming that no criminal charges had been laid against them in the Philippines.

They also argued that the Philippines did not observe standards of human rights that adequately protected defendants.

Swiss bank secrecy can only be lifted for criminal, not for civil cases. It is enough, however, for a government requesting Swiss legal aid to show that the case being pursued involves criminal charges.

In March 1986, shortly after the Marcos flight to Hawaii, the Swiss Government took the unprecedented step of ordering Swiss banks to freeze all accounts believed to belong to Mr Marcos and his family.

World Weather

Location	Temp	Wind	Cloud	Precip
Amsterdam	14	10	100	0.0
Bombay	28	15	100	0.0
Buenos Aires	18	10	100	0.0
Calcutta	30	15	100	0.0
Cairo	28	10	100	0.0
Colon	28	10	100	0.0
Hong Kong	28	10	100	0.0
London	14	10	100	0.0
Manila	28	10	100	0.0
Mumbai	28	10	100	0.0
New York	18	10	100	0.0
Osaka	28	10	100	0.0
Paris	14	10	100	0.0
Rangoon	28	10	100	0.0
Singapore	28	10	100	0.0
Tokyo	28	10	100	0.0
Yokohama	28	10	100	0.0

INTERNATIONAL APPOINTMENTS

Hongkong Bank elects new chief for the Americas

BY DONALD MACLEAN

MR JOHN BOND, 45, has been appointed chief executive for the Americas of Hongkong and Shanghai Banking Corporation (HSBC), in succession to Mr Angus Petrie, 68, who has retired.

HSBC has extensive interests in the US and other parts of the North and South American continents' outstanding, among which is its 52 per cent stake in Marine Midland Banks, the 18th largest US bank holding company.

Marine Midland is run on a largely autonomous basis, but Mr Bond has, in the middle of last month, taken over a place on the board of this company from Mr Petrie. In this capacity, he has a say, but not executive control over the Latin American debt problems in which Marine Midland is involved, along with other US banks elsewhere.

Mr Bond was formerly chief executive of Wardley, the merchant banking arm of HSBC. The parent company, set up in Hong Kong in 1865, and still based there, claims to be one of the oldest foreign banks in the US, having established its first American office in San Francisco in 1875.

It now has offices in eight of the market centres in the US—New York, Washington DC, Chicago, Houston, Los Angeles, Portland and Seattle, as well as San Francisco.

The worldwide assets of HSBC at the end of 1986 came to US\$91.7bn.

Nokia move in North America

By Olli V. Virtanen



Mr Jan Loeber: taking broad role at Nokia

NOKIA GROUP, the Finnish electronics, cable, rubber and paper industry group, has appointed Mr Jan Loeber as president and chief executive of Nokia Inc, which comprises all the group's activities in North America.

Mr Loeber will also be a member of the operating board of the Nokia Group, the largest traded industrial group in Finland, with annual net sales equivalent to \$5bn.

Senior switch by Firestone on world operations side

BY OUR FINANCIAL STAFF

Mr Albert E. Suter, 51, has been elected president and chief operating officer of THE FIRESTONE TIRE & RUBBER COMPANY. He takes responsibility for the company's world tyre, sales and service and diversified products operations.

Mr John Nevin, 60, who stands down from these positions, remains chairman and chief executive.

For the past eight years, Mr Suter has been an executive with Emerson Electric Company, the St Louis-based manufacturer of a broad range of electrical and electronic products and systems, with annual sales of \$5bn.

Top Montedison world healthcare post change

MR PAOLO MORRIONE has been appointed a director, president and chief executive of Erbamont NV, the company which holds all the world interests of the Montedison group of Italy, in the field of health care.

Mr David E. Robinson, who is president of Adria Laboratories, the Erbamont operating subsidiary in the US, has been appointed vice president and chief operating officer of Erbamont NV.

Mr Morrione replaces Mr Alberto Mario Ferrari, who has been appointed Chairman of Montedison USA.

Mr Ferrari retains the position of chairman of Farmitalia Carlo Erba, of which he has been vice-president and managing director.

ITT CORPORATION, the US telecommunications group has increased the number of the company's directors to 15 from 14, with the election to the board of Mr Benjamin F. Payton, president of Tuskegee University.

Mr Payton is to serve on the executive policy, capital, legal affairs and public affairs committees.

SPECIAL PROJECTS ACCOUNTANT

c.£25,000 + Bens

Our client, a UK Merchant Bank, wishes to recruit a confident and articulate Chartered Accountant to become involved with top level ad hoc project work.

Applicants for this position will ideally be in their late 20's with 2-3 years' post qualification experience, preferably within the financial sector. Familiarity with management information systems is also important as the role will include assisting in the development of new systems.

To discuss this further, please contact Jon Michel or Philippa Dilley (who can also be contacted outside office hours on 01-874 3891).

GROUP ACCOUNTANT

To £25,000 + Car c. LONDON

The Financial Services Division of this expanding entrepreneurial group of companies wishes to recruit a qualified ACA, aged up to 30, ideally with at least two years' commercial post qualification experience.

Reporting to the Chief Executive this is a senior management role within the head office and offers the successful applicant excellent exposure at a high level within a dynamic, aggressively led PLC.

Candidates must be able to demonstrate a good career path to date, an above average computer awareness and the strength of personality to operate effectively at a senior level.

Please contact Robert Morgan (who can also be contacted outside office hours on 01-870 3037).

BADENOCH & CLARK

LONDON • BIRMINGHAM • NEWCASTLE

THE FINANCIAL & LEGAL RECRUITMENT SPECIALISTS
16-18 NEWBRIDGE STREET, BLACKFRIARS, LONDON EC4A
TELEPHONE 01-583 0073

Mitel splits up top job structure

BY OUR FINANCIAL STAFF

MITEL, the Canadian telecommunications equipment maker which was last year acquired by British Telecom, has appointed Mr Anthony F. Griffiths chair-

man, in succession to Mr David Golden, who is to remain a director and also to continue as chairman of two subsidiaries, Mitel Datacom and Trillium Telephones Systems.

Mr Griffiths takes up this post from those of president and chief executive. No successor has yet been nominated to the latter posts, though it is intended there will be one.

NASD chairman becomes president

Mr Joseph R. Hardiman has been elected president of the National Association of Securities Dealers, which runs the US over-the-counter stock market,

with membership of 8,600 concerns. Mr Hardiman, who has served this year as chairman, and who is managing director and chief operating officer of Alex Brown & Sons, the US investment

house, succeeds Mr Gordon S. Macklin, Jr, who has resigned after 17 years to be co-chief executive of Hambrecht & Quist, the San Francisco-based house and a member of NASD.

Accountancy Appointments

SUDAN FINANCIAL ADVISOR

To act as consultant for a major US company participating in a World Bank-funded project for the management of a sugar estate/factory. Trouble-shooting financial, cost and management accounting systems. Two-year contract. 50 days' leave p.a. \$50,000 p.a. plus all in-country expenses.

John Davies
AMC SELECTION
20 Murray Court
Summinghill
Ascot, Berks
(01) 250 0003

UNIVERSITY OF WARWICK
SCHOOL OF INDUSTRIAL AND BUSINESS STUDIES
RESEARCH FELLOWSHIP
APPLICATIONS OF MATHEMATICS TO FINANCIAL PROBLEMS
A senior research officer and a research officer are required for a two year ESRC research project on the applications of continuous time models to financial valuation problems. The project will be directed by Professor Robert Hodges.
Applicants are sought with other expertise in numerical analysis and computing (particularly financial mathematics) and the ability to handle differential equations and with relevant experience in the option valuation risk management literature.
The appointments will be made on the scale Grade 1A and Grade 2A for research and will be for 2 years, from 1 September 1987 to 31 August 1989.
Application forms and further particulars are available from the School of Industrial and Business Studies, University of Warwick, Coventry, CV4 7AL (0243/5664). Closing date 24 July 1987.
AN EQUAL OPPORTUNITIES EMPLOYER

FINANCE DIRECTOR DESIGNATE

Fast Moving Service Industry c.£35,000+car

Our client, a successful and highly professional subsidiary of a substantial UK Group, is a market leader in leasing and contract hire. It has a reputation for providing individually tailored and high quality services for an extensive range of corporate customers. In a fast moving and competitive market it has an exceptional record for growth and increasing profitability.

A Finance Director - Designate is now required who will assume overall responsibility for financial management and data processing needs of the company. The appointee will also play a key role in the day-to-day running of the company, policy setting and business development, both organically and by acquisition.

Candidates will be qualified accountants with excellent technical skills supported by a strong personality and personal acumen. The

successful candidate will be a dynamic young professional who enjoys contributing at the highest level and is able to bring an intellectual sharpness to the financial strategic thinking of the company. The environment is market orientated, pro-active and highly entrepreneurial. Previous experience of managing large systems projects is essential as the company is currently undertaking a major systems review.

Based in Croydon, Surrey, with a certain amount of UK travel, this new position offers an excellent opportunity for an individual capable of making a critical contribution to the strategic development of the company and with aspirations to move into general management in the future.

Please write in confidence, enclosing full career details, quoting reference S6092, to Anne Routledge.

KPMG Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR

FINANCIAL CONTROLLER INVESTMENT MANAGEMENT

London Negotiable over £30,000, plus car

Our client is an independent investment management company whose business has been expanding extremely rapidly in the last few years.

A financial controller is required not only to lead the finance and accounting function but to become involved in the commercial aspects of running the business. There is a need to operate to tight systems and procedures.

Applicants are likely to be aged over 30 and will be chartered accountants. Knowledge of the securities business is desirable but not essential. This experience could have been gained while qualifying as an accountant. It is essential to possess current data processing systems experience.

This is an excellent career opportunity offering advancement potential.

In the first instance, please send career details to Michael Ping quoting reference F/557/P at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

Senior Tax Consultant

Chiltern Financial Services plc, a leading tax and financial consultancy, is looking for an experienced tax professional for a new key position.

Reporting to a Director, and with support from a multi-disciplined team, the main responsibility will be to advise major organisations and their executives on a variety of taxation issues. There will be an emphasis on the taxation of individuals, and a significant element of international planning.

The position demands a high level of technical expertise, a creative approach to solving problems, and the ability to meet our exacting standards. The salary will fully reflect experience and potential, and will be enhanced by profit sharing, a car and other benefits.

To apply please write with C.V. to: Geoffrey Adams, Director, Chiltern Financial Services plc, 90 Tottenham Court Road, London W1P 0AA. Telephone 01-631 4866.

CHILTERN

Treasury Manager

A creative approach to Group financing to £30,000 + car

The Burmah Group is a highly successful British-owned multinational committed to profitable development through organic growth and acquisition. Our three divisions, specialising in lubricants and fuels, specialty chemicals and LNG transportation, operate in over thirty countries.

The role of Group Treasury is to ensure the availability of adequate funding for the Group on optimal terms, and to control cash, debt and foreign exchange exposure. We now seek to strengthen this small but highly professional team by the recruitment of a Treasury Manager, whose brief is to apply a firm, creative approach to the structuring and negotiation of borrowing facilities and to all aspects of treasury management.

This will involve travel to UK and overseas subsidiaries to review existing financial structures, to identify and recommend appropriate cash control and funding.

In order to gain credibility and co-operation and to be effective with internal senior financial management

and external banking and professional advisers, you must demonstrate familiarity with the full range of treasury management techniques and have proven experience of arranging borrowing facilities.

Ideally you will be an honours graduate with an ACA, MCT or MBA and experience in the treasury or corporate finance department of an international group. You will need personal qualities of a high order: an extremely flexible, co-operative and persuasive style is vital if our objectives are to be met through you.

Salary will be geared to attract high-calibre individuals; an excellent benefits package includes non-contributory pension, BUPA and generous relocation assistance where appropriate.

For a preliminary discussion telephone Stephen Hurley, Personnel Manager, on 0793 30151, extn 2661 during normal office hours. To apply, send your cv to him, indicating current salary, at Burmah Oil Trading Limited, Burmah House, Pipers Way, Swindon, Wiltshire SN3 1RE.



Appointments Advertising
£48 per single column centimetre
Premium positions will be charged £83 per single column centimetre
For further information, call:
01-248 8000
Daniel Berry Ext. 2456
Tessa Taylor Ext. 3351

Finance Manager

North Midlands

Ohmeda Medical Engineering is a worldwide business within the BOC Group's Health Care sector. It designs, installs and maintains the specialist systems that convey gases and other essential services to patient treatment areas in hospitals. A Finance Manager is required for the UK based operations which are responsible for the Europe/Middle East Region.

Reporting to the General Manager you will be responsible for the total accounting function of this autonomous unit and for the development and management of all business systems which are already extensively computer based. You will also be expected to participate fully in the further strategic development of the business.

to £25,000 + car & bonus

You will be educated to degree level, a qualified accountant and preferably aged 28-35. Some of your experience will have been gained in large industrial companies which operate sophisticated management control systems. You will have an outgoing personality and must be able to contribute to the development of the business.

Future career prospects within BOC are excellent and relocation expenses are available.

Please send a detailed cv, including daytime telephone number in strict confidence to George F. Cross, at Management Appointments Limited (Search and Selection Consultants), Finland House, 56 Haymarket, London SW1Y 4RN. Tel. (01) 930 6314.

Management Appointments Limited

FINANCIAL DIRECTOR

Reading c.£35,000 + car + benefits

Premier Portfolio, a subsidiary of British & Commonwealth Holdings plc, is a young – yet already substantial – consumer finance house, specialising in mortgage lending and administration.

The position has arisen as a result of rapid growth and dynamic future business programmes. Major responsibilities will be ensuring the adequacy of financial controls in coping with future requirements, the further development and interpretation of management information and making strategic contributions to business plans and their execution.

Candidates, preferably graduates, must be chartered accountants with a minimum of 3 years commercial experience. A financial services background would be advantageous, but not essential. Key personal qualities are a vigorous, enquiring mind, commitment to flawless implementation of controls, a strong and outgoing personality with the ability to enthuse and develop company staff to perform well as a team.

Please write in confidence, with full career details, quoting reference P8907, to Mike Blanckenhagen.

KPMG Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR

Finance director

Fast moving consumer goods

London, c£40,000 plus stock options



This is a rapidly expanding Group in a highly entrepreneurial specialist trading sector with a reputation for innovation and aggressive marketing of new concepts. With the benefit of a major investment in its future, the Group is poised for considerable expansion. Longer term plans include flotation.

It seeks a Financial Director with three key roles. Firstly, to strengthen the top management team providing crucial financial expertise and support to strategy planning and implementation. Secondly, to ensure that accounting systems and management information throughout the Group is of the very highest standard. Thirdly, to analyse and solve the problems of financial management in the biggest subsidiary, probably by acting as Finance Director within it for a period.

This unusually demanding appointment calls for a qualified accountant, perhaps also an MBA, who can support and contribute to fast moving initiatives on the one hand, yet provide essential controls and information on the other. The ability to work closely with a young, exceptionally committed team is essential. A background in line management at a senior level, a deep knowledge of DP systems and experience at Board level in a fast moving consumer goods type of environment are essential.

The excellent package will include an attractive stock option scheme, a car and relocation expenses if appropriate.

Please apply in confidence, with a daytime telephone number, to Gregory T M Hinds, Ref: GH704.

Coopers
& Lybrand
Executive
Selection

Coopers & Lybrand
Executive Selection Limited
Shelley House 3 Noble Street
London EC2V 7DQ
01-606 1975

Financial Director

West End
Advertising Agency

Aged 28-32
ACA/ACCA
Commitment, courage
and good administration
skills necessary.

Package circa
£25,000-£30,000
plus profit share,
options and benefits.

Send c.v. to Box A0604
Financial Times
10 Cannon Street
London EC4P 4BY

ACCOUNTING FOR ENERGY

Amerada Hess is one of the world's major oil producers with worldwide assets of \$5bn and one of the top 10 North Sea operators. At the forefront of technological development for the cost-effective production from today's fields, the company has a firm foundation for growth.

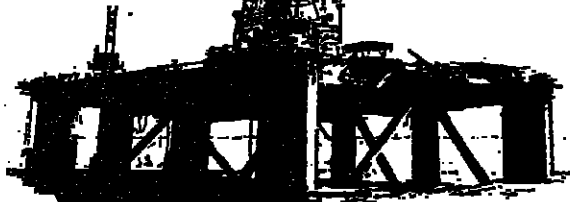
Vital to the success of the operation is an efficient and highly effective accounting function. Careful monitoring and control of its operations has permitted Amerada Hess to react quickly to changing market conditions and this has depended upon the expertise of the close-knit accounting team.

As part of its continued growth Amerada Hess now seeks to recruit four more qualified accountants. Each position offers immediate responsibility and excellent prospects for development within this exciting and challenging industry as well as an attractive remuneration package.

SUPERVISOR

As the involvement of Amerada Hess in the North Sea expands, the need for close supervision of its many operations also increases. The Supervisor will be responsible for all financial and management accounting and for reporting to senior UK and US management.

The position calls for extensive experience of the oil and gas industry and familiarity with UK and US reporting as well as with UK Tax legislation.



A qualified accountant with strong management skills and a minimum of 4 years post-qualification experience will succeed in this role. The role will also appeal to more mature candidates having significant relevant experience.

(Ref 7271)

AUDITOR

Operations audit is viewed as a key contributory role within Amerada Hess and an additional auditor is now required to ensure that all facets of the operation are adequately covered. The specialist nature of oil accounting and operations makes this an exceptionally challenging role requiring an accountant with extensive oil industry experience.

A strong personality and well developed communication skills are essential.

(Ref 7272)

2 FINANCIAL ACCOUNTANTS

North Sea operations are major investments involving joint ventures. Amerada Hess is a party to nearly 100 of these, which are subject to corporate accounting and reporting requirements, and where Amerada Hess is the operator involve comprehensive reporting to partners.

With the growth of this involvement Amerada Hess needs to strengthen the Joint Venture and Corporate accounting teams and seeks an additional accountant for each. Two years post-qualification experience or equivalent, ideally in the oil industry, is necessary for these positions.

(Ref 7273)

If you are seeking a challenging role in one of the most exciting industrial sectors and are looking for a remuneration package that matches up to your ability, please write to Jo Cutmore at Jamieson Scott quoting the above references and enclosing details of your career to date.



PLEASE WRITE, QUOTING RELEVANT REFERENCE NUMBER, TO JO CUTMORE AT

Jamieson Scott

MANAGEMENT SEARCH, LLOYDS AVENUE HOUSE,

Midland Montagu is the investment banking and securities arm of Midland Bank plc.

The Planning, Resources and Control Team within our Information Technology Group is a small, high-profile function with a brief to develop to tight timescales short and long-term IT strategies. These include the establishment and implementation of effective financial control procedures for the IT Group. The team's expansion has led to the creation of the following challenging appointments.

MANAGER – IT ADMINISTRATION

to £28,000+car

This is a key developmental role with responsibility for all aspects of systems financial control and administration in a complex legal and financial framework. Managing a small team – and with a budget of up to £30m – other tasks will include invoice and expenses control, asset registers and premises issues.

Ideally a qualified accountant, you should have at least 5 years' experience in a financial control environment, together with sound financial and budgeting skills. Experience of managing large operating plan cycles would be useful, as would a background of systems and projects work.

Salaries will reflect experience and the level of appointment. Excellent benefits include mortgage subsidy, non-contributory pension scheme and family medical care.



Midland Montagu

SENIOR FINANCIAL ANALYSTS

to £18,000

As part of the Manager's team, you will be undertaking wide-ranging financial analysis, which will include drawing up and monitoring budgets, reviewing the financial components of project proposals, and establishing detailed financial records. You will work closely with a number of IT departments.

Probably a part-qualified accountant, you should have a minimum of two years' experience in a financial control or planning environment, be highly numerate and have good interpersonal skills. Familiarity with Lotus 1-2-3 or similar software packages will be an advantage.

Please write with full personal and career details, indicating the position of interest to: A. Menhennet, Assistant Manager, Personnel, Midland Montagu, Suffolk House, 5 Laurence Pountney Hill, London EC4R 0EU.



LIFE ASSURANCE ACCOUNTANT

from £16,000 + benefits

The Excess Insurance Group, which is part of the ITT Group and operates in a wide range of insurance markets both within the U.K. and overseas, is in the process of forming a new Life Assurance Company. This is an exciting opportunity for which an accountant is needed.

Working within the Group's Management Accounting section, the successful applicant will initially be responsible for the production of all the accounting reports and returns for this new company, developing systems as necessary to ensure the highest efficiency. Experience in this field is therefore highly desirable. As regards a professional qualification, ideally ACA or ACCA. We regard the position as one from which progression into other accounting roles within the Group would be natural, given success.

The post is based at our Worthing head office. The salary is negotiable (within limits) and the benefits attached include a non-contributory pension scheme, free life assurance, mortgage subsidy (normally after a qualifying period) and use of our excellent sports and social facilities.

Please apply in the first instance for an application form, or send details of your career to date to Mrs. Kathy Calmann, Personnel Department, Excess Insurance Group Limited, Telephone: 0903 39933 Ext. 3337.

THE WARREN, WORTHING, WEST SUSSEX BN14 9QD

Financial Controller Commodity Trading City £20-24K

Our clients are traders in ores and minerals, worldwide. The company established a branch in London in 1986, and is engaged in trading activities throughout Europe, the Middle and Far East.

A qualified accountant, preferably chartered, is needed to maintain the branch's accounts, produce regular financial and management information, and be responsible for treasury operations. This is a fast moving business, and the successful candidate will be working as a member of a small, young team where a shirt sleeve approach is essential. This is an opportunity to join a green-field operation and participate in its growth.

The job would suit a young, energetic accountant, preferably with a few years' post qualification experience in a financial services or other relevant business environment. As the branch is shortly to computerise, experience with computerised accounts systems would be invaluable.

Please apply with a full cv including current salary and daytime telephone number, and quoting reference 1500 to:

Binder Hamlyn
MANAGEMENT CONSULTANTS
Roger Hill, Executive Selection Division
Binder Hamlyn Management Consultants
8 St Bride Street, London EC4A 4DA

Head of audit

City £35,000 neg + car



For a long established international financial services group whose activities include membership of the Acceptance Houses Committee, a broad range of corporate banking services, retail banking, securities trading and market making, and asset management. The group is widening the scope of the internal audit function to deal with the increasing complexity of the business and the changed regulatory environment and seeks a strongly commercial auditor to lead the expanding team.

Working closely with the Group Compliance Officer you will have total responsibility for supervising and maintaining existing procedures across the full spread of the group's banking and other financial services activities while ensuring that systems and controls are developed to meet the changing requirements of the group and the SRO's. Yours will not be a purely regulatory function, you will be expected to make a significant commercial contribution to the firm's activities.

A qualified Chartered Accountant, probably aged in your late 30's, you will almost certainly have trained with a major audit firm and will have substantial experience of both financial and operational audit with a sizeable organisation in the financial services sector. A proficient team leader with strong business orientation you will have a proven record of developing and implementing new systems. Knowledge of computerised audit techniques is highly desirable and a working knowledge of the SRO's would be an advantage. Personally you must be intelligent, forceful and meticulous over detail.

Prospects for further career development within this diverse group are excellent and will be encouraged.

Résumés, including a daytime telephone number, to Ros Alchin, Ref. 712RA.

Coopers & Lybrand
Executive Selection

Coopers & Lybrand
Executive Selection Limited
Shelley House 3 Noble Street
London EC2V 7DQ
01-606 1975

Financial Analysis & Planning

c£40,000 + Car

This is a demanding position as the Head of Group Financial Analysis in one of the UK's largest international consumer product groups.

The Group is seeking an individual who will bring drive, initiative and excellent intellectual and analytical abilities to the function whose role is changing to reflect the recent and continuing expansion of the Group. Key responsibilities, all aimed at aid effective management of the Group, are the establishment of financial goals, the evaluation of divisional plans and budgets, the review of divisional performance and the evaluation of major capital expenditure. There is a small team to lead.

Applicants, who should be graduate accountants, ideally with business school training, should have a previous record of achievement. Experience at the centre of a major group or large division is essential and operating company experience advantageous. Very high standards of oral and written communication are required, together with the personal style to match the professionally thorough and internationally orientated management team.

Age guideline - lower to mid 30's. Location West End.
Please apply in confidence, quoting ref: L309 to:

Brian H. Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search



Young Head of Finance and Administration Career Development in High Technology

ICI Diagnostics is a recently formed business operation within the ICI Group and is involved in the development, manufacture, and global marketing of products based upon the most advanced of hi-tech technological innovations. The second phase of its new headquarters at Northwich, Cheshire, was recently completed and an international impact has already been made with the introduction of unique D.N.A. finger-printing technology.

Operating against a high degree of accountability, the business is anticipated to grow quickly worldwide and may be involved in international acquisitions and joint ventures. Rapid progress has already been achieved so the Senior Executive Team now needs a high potential individual who will provide that financial expertise particularly appropriate to a start-up situation whilst managing the business's administration resources. Board level contribution to operational and business strategy formulation matters is required.

To meet the career development challenge you will possess a good degree and be a qualified accountant (ACA or ACCA). In your late twenties to early thirties, your previous experience, gained in an intellectually demanding and sophisticated managerial environment, will confirm your ability to match the

Company's proposed growth rate.

You have the capacity to operate at an international level and to undertake detailed project appraisals, are familiar with computer modelling techniques, and can conduct strategic and R & D related financial analysis as well as assess the implications of proposed licenses, collaborations, equity stakes etc.

This is a highly visible senior position demanding those personal qualities which will enable you to relate at different levels, manage others and be effective in the face of the various challenges inherent in the creation of a major business enterprise.

The financial rewards are excellent and the comprehensive benefits package covers all those items expected for this level of position with a major employer. A flexible attitude to the structure of the employment contract will accommodate the varied aspirations of high calibre candidates.

Applications should be sent to Tudor Phillips of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST. Telephone: 01-404 5701.

Cripps, Sears

Accounting Manager

London

c. £27K + Car

Our client - a substantial division of a major British group - operates very successfully in the burgeoning international communications market, generating revenue from both UK and global networks, using "leading-edge" technology.

In this competitive field, financial skills are at a premium and we have been asked to recruit an Accounting Manager, reporting to the head of the accounting function and able to combine management of a small team - responsible for accounting, reporting and control - with the development and interpretation of accounting policy.

The role will involve considerable contact with senior executives at local and corporate level and candidates must therefore be good communicators. A recognised accountancy qualification is essential, as is sound financial and accounting experience gained in a large organisation.

Applications please, in confidence, quoting Ref: 321/1/FT to S.C. Mackay, Charles Barker MSI, 30 Farringdon Street, London EC4A 4EA. Tel: 01-634 1143.

CHARLES BARKER
SELECTION · SEARCH · ADVERTISING

FINANCE DIRECTOR

Derbyshire £25,000 + Car + Share Options

A young, fast growing Public Company is seeking a Finance Director for one of its major subsidiaries.

The Company is based in Derbyshire within easy reach of the very attractive Peak District. The position will cover responsibility for the whole of the finance function including financial and management accounting, systems and general administration.

Applicants should be qualified accountants (ACA, ACCA or ACCA), preferably in their early to mid-thirties, with a track record of implementing and operating strong integrated financial planning and control systems, particularly with regard to the review and appraisal of major projects. Experience in the construction industry would be an advantage.

The successful candidate will be confident, practical, articulate and will be able to persuade line management to use appropriately tailored financial information as a management tool so as to maximise the profit potential of the Company. This is a challenging appointment and will not suit those seeking a passive role. However, for the selected applicant this key position offers an opportunity to make an important contribution at an early stage of the group's development. Career prospects are excellent.

The attractive remuneration package includes a prestige company car, non-contributory pension scheme, BUPA, Life Cover and Share Options. Candidates should write in strict confidence, enclosing a full CV and salary details and quoting reference CPS/MSD to Chris Scott.



Peat Marwick McLintock

Executive Selection

Kingswood House, Pelham Road, Nottingham NG5 1AP.

Financial Controller

Kent
£20,000 + car + benefits

A recent re-organisation within this major multi-national high technology company has seen the establishment of a number of divisions as separate operating companies. One of these subsidiaries, involved in the supply of computer based office products, is now seeking to recruit an experienced Financial Controller to develop and lead the well established Finance Department.

Reporting directly to the company Managing Director you will have complete responsibility for the production of financial, management and statutory accounts, cash and budget preparation

/control, together with related issues. As the company imports the majority of its products, a large proportion of the Controller's role will involve issues relating to import procedures and the resulting financial implications.

Ideally aged 30-45 years, you should be a qualified accountant and possess a broad financial/accounts management background. In addition, you should have experience of developing management and financial information systems in a computerised environment. Knowledge of customs and excise policies is desirable. As the position is

viewed as vital to future growth and expansion the job-holder will be expected to possess a strong sense of business and commercial awareness.

Candidates, male or female, should write enclosing full career and salary details quoting reference MCS/8732 to Gary Birney.

Executive Selection Division
Price Waterhouse
Management Consultants
Livery House
169 Edmund Street
Birmingham B3 2JB

Price Waterhouse



Taxation Manager

c£30,000 + car + mortgage benefit

South East

- * accountable for achieving the most advantageous tax position permitted by current fiscal legislation
- * act as the "centre of excellence" for the provision of strategic tax planning initiatives and general taxation advice
- * manage a small professional team in providing a quality service at corporate, subsidiary and fund manager levels

Our client is a highly reputable life assurance company with investment funds in excess of £2 billion and whose products are market leaders in their field. Their expansion over the past five years has been led by success in their pensions and unit linked businesses which has highlighted the importance of assessing investment policies in terms of their tax implications and hence the decision to strengthen the tax function within the business.

This position, reporting to the Company Secretary, reflects recognition of the need for a professional tax specialist to head up a small department and take responsibility for all tax compliance work, negotiations with relevant authorities and the provision of tax planning advice. A major challenge concerns the need to keep abreast of fast changing fiscal policy in the financial services industry in order that group tax liability is minimised.

Candidates should be Chartered or Certified Accountants with a minimum of five years post qualification taxation experience. Knowledge of life assurance or property investment sectors and financial services generally would be preferred. Age guide 28-40.

Write or telephone (24hrs) for more information and a personal history form quoting reference 2235/FT.

C Kiddy and Partners

Recruitment and organisation consultants
43 QUEEN SQUARE, BRISTOL BS1 4QR. TEL: (0272) 215275
BRISTOL ★ LONDON

Stockbroking

Finance and Operations Director

Thames Valley

c. £60,000 + excellent benefits

Our client is a well established stockbroking group with headquarters in Reading and ten offices in prime locations in England and Wales. Following the recent changes in the Financial Services Sector it is now owned by a highly reputable UK merchant bank. It has experienced rapid expansion of its agency stockbroking business which increases the need for rigorous management control of all activities.

As Finance and Operations Director you will be responsible for ensuring that effective financial and operational controls are applied throughout the group. This is a demanding role requiring strong leadership skills and an ability to initiate change.

Aged 35-45 you may have a commercial background with relevant experience in stockbroking or investment management. Or you

may be an experienced accountant seeking a challenging change of direction in your career. The remuneration package reflects the seniority of this appointment with full scope to apply reward the exceptional candidate.

Please reply to Barry Underwood, in strict confidence, enclosing full personal and career details, quoting reference 5018/FT on both envelope and letter.

Deloitte Haskins & Sells

Management Consultancy Division
P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

FINANCE DIRECTOR- DESIGNATE

Thames Valley c.£40,000 plus car

Our client is an international hi-tech company with interests in the major markets of the free world. A very profitable and highly professional company, it is an acknowledged market leader in its chosen fields.

Reporting to the Managing Director, the Finance Director-Designate will be responsible for all aspects of accounting and financial reporting, tax and foreign exchange planning, budget monitoring and advising the Board on all strategic planning issues.

Candidates will be qualified accountants with strong technical skills and wide commercial experience, ideally gained in a fast moving hi-tech or research and development

environment. The entrepreneurial and high profile nature of the company dictates that the appointed candidate is of strong character, practical, with an air of relaxed authority, and a positive approach and open style that drives projects forward with the minimum of friction. Candidates must also be personable "team players", but with a capacity for independent decision making. This challenging opportunity will suit only those who justify rapid appointment to the Board.

Please write in confidence, enclosing full career details, quoting reference Q1171, to Anne Roulledge.

KPMG

Peat Marwick McLintock

Executive Selection and Search
9 Creed Lane, London EC4V 5BR

ACMA ACA ACCA From strategy...

*Make an impact through
consultancy*

You've always enjoyed a challenge. And with your outstanding technical, business and personal skills, you've risen rapidly through financial or management accounting to a level of responsibility beyond your years.

Yet you still want a bigger challenge, one that will involve you in strategic thinking as well as practical action.

At Deloitte Haskins & Sells we can give you just that, and variety and recognition too - as a Management Consultant. Your role will be to work with senior financial decision makers in both the private and public sectors, making a real impact through projects which range from business planning to systems improvement.

Working with a talented team, every inch your equal, you'll find both the stimulating career environment and the high visibility

within our client organisations a test for intellect, personal skills and commercial acumen.

What's more, for ambitious accountants with post-qualification experience in an operational or consultancy environment, we can match your highest expectations in terms of both rewards and prospects. Starting salaries in a range up to £35,000 with benefits which include a car. And for the brightest individuals, partnership in your thirties.

You know you need a fresh challenge. Act now, by sending full personal and career details (including daytime telephone number) to Geoffrey Thiel, quoting reference 3069/FT on both envelope and letter. Alternatively, for an informal discussion, telephone him on (05827) 64579 between 7pm - 9pm today or between 10am - Midday on Sunday 5th July.

...to action

**Deloitte
Haskins+Sells**

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

Head of Finance

... With the Emphasis on Change
and Development

c£25k+car

Thames Valley

Our client is a well-established, medium-sized and profitable manufacturer of specialised products for the food industry, highly regarded for the quality of its products and service.

The organisation is undergoing a significant period of change and this new appointment has been created to strengthen the senior executive team.

Reporting to the newly-appointed MD you will have total responsibility for the finance function including developing, managing and controlling information, reporting and control systems. There is considerable scope to develop all aspects of the function with a priority being computerisation.

Probably a qualified accountant, you should have a broad range of commercial experience including development and implementation of computer systems.

Please write to Phillip Bainbridge quoting ref. B.35056, or telephone him on (0753) 842044.

MSL International (UK) Ltd, Pilgrim House, 2/6 William Street, Windsor, Berks SL4 0BA.

Offices in Europe, the Americas, Australia and Asia Pacific.

MSL

International

Finance and administration director

Central London, £30,000 neg+car



This is an interesting and exciting opportunity for a dynamic, ambitious young accountant to play a key role in the expansion into Europe of a major apparel and fashion accessories corporation which has established a significant presence in the United States. Specialising in the manufacture, marketing and distribution of designer brands, the Group is recognised worldwide as an innovator in its industry. Through its UK subsidiary, the Group has firm plans to commence retailing in London this year, leading to increased retail, distribution and licensing activities throughout Western Europe.

Reporting to the Managing Director - Europe, you will have total responsibility for the finance, administration and secretarial functions and will participate in the financial planning and corporate structure activities of the Group. Initial tasks will be to establish the financial systems, corporate structure and staff to support the substantial growth envisaged over the next three years.

A qualified accountant, probably in your early 30's you will have gained strong financial management, law and taxation experience within an international organisation. You should possess the professionalism, maturity and adaptability to relate to a highly experienced executive team.

Résumés, including a daytime telephone number, to Janice Walden, Ref. JW728.

Coopers
& Lybrand
Executive
Selection

Coopers & Lybrand
Executive Selection Limited
Shelley House 3 Noble Street
London EC2V 7DQ
01-606 1975

Appointments Advertising

£43 per single
column centimetre.
Premium positions
will be charged £52
per single column
centimetre.

For further
information, call:

01-248 8000

Daniel Berry
Ext 3456

Tessa Taylor
Ext 3351

Senior Accountancy Appointments

Financial Sector
To £60,000 + Benefits

The Executive Division of Michael Page UK is currently handling a number of senior appointments for qualified accountants with financial sector experience. Our extensive client portfolio represents the complete spectrum from international banks through to smaller private institutions.

Should you be contemplating a career move within this dynamic area of the

recruitment market, we would be delighted to hear from you.

Interested applicants should write to Jon Anderson ACMA, enclosing a comprehensive curriculum vitae and telephone number, at the Executive Division, Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH, quoting ref: 428.

Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

GRAND METROPOLITAN

.... adding value

Financial Accountant Competitive Package

Grand Metropolitan is a world leader in the provision of consumer products and services in the food, drink and hotel sectors. In 1986 the company reported its twelfth consecutive year of profit growth. With turnover in excess of £5 billion and profits of £367 million, the company looks forward to further growth in each of its very competitive international markets.

In line with the company's forward-looking strategy, a senior appointment has arisen within the Corporate Head Office. As part of a small and close-knit team the successful candidate will be involved in a broad range of activities including the review of group financial information, the development and application of accounting policies and the preparation of public circulars. The position will have a high profile and

it is envisaged that it will lead to rapid advancement within the Group.

Applications are invited from ACA's with approximately three years post qualification experience, possibly making their first move from the profession. Both salary and benefits will be highly competitive and commensurate with such a senior appointment in a large and progressive multinational. You should be educated to degree standard and possess the ambition, flexibility and technical knowledge to succeed in this challenging environment.

Interested applicants should telephone David Nordmore on 01-831 2000 or write to him at 39-41 Parker Street, London WC2B 5LH quoting Ref 2089.

Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Hoggett Bowers

Executive Search and Selection Consultants

Chief Accountant/ Company Secretary

East Midlands, c£20,000, Car, Benefits

Continued expansion and the future development plans of this established and progressive £4m turnover operation, part of a Major International Group, have created this important new appointment. Our client supplies a quality range of precision engineering components to a wide range of industrial outlets. Reporting to the Managing Director, responsibility will be for the integrity of the accounting system, statutory and internal company reporting requirements, company secretarial duties and the performance of a small team. Candidates, aged 28-40, qualified ACA/ACMA, must demonstrate a successful track record within a manufacturing or engineering environment. Ideal experience includes the establishment of reporting procedures, formulating budgets and the application of computer systems. Good communication skills and a hands-on management style are necessary personal qualities. Excellent career prospects. Relocation as required.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: J.H. Wright, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, Birmingham, B15 1JD. 021-455 7575. Quoting Ref: B13022/FT

Close Brothers Limited

ACCOUNTANT

We are seeking an additional accountant to assist the financial controller in the production of management and statutory accounts and implementation of new accounting systems.

Applicants (ideally aged 25-30 years) should be qualified accountants with banking experience.

An attractive remuneration package will be offered to the right candidate.

Please write in confidence, with full career details, to:-



Terence Cusick
Director
Close Brothers Limited
26 Great St Helens
London EC3A 6AP

EXECUTIVE JOBS

IF YOU EARN OVER £25,000 PA AND ARE SEEKING
A NEW OR BETTER PAID JOB

In the accountancy or financial field our team of consultants, all of whom have had managing director level experience, can help you. Our successful Executive Action Plan helps you find appointments quickly and discreetly, particularly in the underadvertised vacancy areas. Contact us for an exploratory meeting without obligation. If you are currently abroad ask for our Executive Expert Service. 32 Savile Row, London W1. Tel: 01-734 3879 (24 hours)

Connaught

Appointments Advertising

£43 per single column
centimetre
Premium positions
will be charged
£52 per single column
centimetre

For further
information, call:

01-248 8000

Daniel Berry
Ext. 3456

Tessa Taylor
Ext 3351

Creative Sales & Credit Manager

c£22,000 + Car

This appointment is being made to provide a leader for a new and more creative approach to credit management which will integrate the function more closely within the mainstream business objectives of this large fast moving consumer product group. By using the opportunities inherent in closer and more positive customer relationships the credit management team will be a key element in a programme of improved customer service designed to increase market penetration, quality of earnings and profitability.

Credit management is already a wide ranging and well organised activity which is responsible for new account review, control of sales ledgers and final collection procedures; establishing credit objectives for management and credit performance reporting. The customer base is very wide and the product portfolio contains a high proportion of brand leaders.

Applicants should be sales and credit management professionals with sound experience of managing the activity in a consumer product company. A business degree or an accounting qualification would be an advantage.

Age guideline 30-40. Location West London.

Please reply in confidence, quoting ref. L312 to:

Brian H. Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

**Mason
& Nurse**
Selection & Search

CENTREWAY DEVELOPMENT CAPITAL LIMITED

Financial Executive with Management Experience

Circa...£25,000 + CAR

MIDLANDS

At Centroway Development Capital Limited we have established and maintained our position amongst the top Business Expansion Scheme Funds Managers. We are the Venture Capital subsidiary of a quoted public company, Centroway Trust Plc and we are successfully expanding our activities in this market place. In 1986/87 alone we raised and invested over £4 million in a wide variety of target companies. We place great emphasis on post-investment review and monitoring of the companies in which we invest funds. This activity now accounts for the largest part of our manpower resources. Each member of the department is a professionally qualified executive, having had financial and general management experience. These executives work

with the investee company managements to achieve their business plans and to represent the shareholders interests throughout the years to flotation.

We now need a further executive to join the Review Team. He or she will have both financial and general management experience and hold a recognised qualification, either A.C.A., A.C.M.A., A.C.C.A. or have a business degree with substantial financial content. The position will be most suitable for someone living in the Midlands area. He or she will be in the age group 35 to 40.

The remuneration package will be based around £25,000 per annum, plus car and in addition our executives participate in a profit related bonus scheme.

Write in confidence enclosing your C.V. to:
Mr John Naylor, Investment Review Director
Centroway Development Capital Limited

1 Waterloo Street
Birmingham
B2 5PG
021-643 3941

FINANCE DIRECTOR

North West

Our client is an autonomous subsidiary of a major plc involved in the manufacture of specialised textiles. Working at the fore-front of current technology, it is a successful company with a turnover of £13m and a workforce of over 200.

They currently seek a Finance Director to work closely with the Managing Director and to make an important contribution to corporate planning and strategy.

The role will have a strong commercial orientation and in addition to the control of the finance function, the F.D. will have responsibility for the D.P. department. A total of 8 staff report to the position.

c£22,000 + Car + Bonus

Candidates aged 28-40, will be qualified Accountants (ACA, ACMA, ACCA) with a proven track record in manufacturing industry combined with the personal skills necessary to perform in a high visibility role.

The remuneration package will comprise a basic salary of c£22,000 plus fully expensed car, contributory pension and participation in the management bonus scheme. Full relocation expenses will be available where appropriate.

Please apply directly to Angela Wright at Robert Half, Peter House, Oxford Street, Manchester M1 5AW. Telephone 061-236 0101, evenings 061-434 8429.



ROBERT HALF

FINANCIAL RECRUITMENT SPECIALISTS
LONDON, BIRMINGHAM, WINDSOR, MANCHESTER, SOUTHAMPTON, WORCESTER

Financial Analyst

N.W. London c.£18,000+car

Our client is a highly successful U.K. chemical company and is part of a major international group with worldwide diversified interests.

An attractive opportunity has arisen due to internal promotion for a recently qualified graduate Accountant, or MBA for the position of Financial Analyst. The position involves exposure to the diverse U.K. business and will include detailed investigation and preparation of capital expenditure proposals together with business planning.

Personal qualities are most important — good written and verbal communication skills, together with self motivation are all essential ingredients. Extensive use is made of Information Systems, both main frame and personal computers.

Together with a progressive salary and company car, good prospects exist for an effective contributor.

Please write with full c.v. to The Confidential Reply Supervisor, Austin Knight Advertising, 17 St. Helen's Place, London EC3A 6AS. Quoting reference 9643.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter.

**Austin
Knight
Advertising**



**INTERNATIONAL
HOSPITALS
GROUP**

We are the leading British Healthcare Management Company, providing a wide and expanding range of services to overseas and UK clients. To meet our developing business requirements we need to expand our existing team of professional staff in our UK Head Office and in our major overseas base, in Saudi Arabia.

Project Finance Director

Based in Jeddah

c. £35,000 tax free + Car + extensive benefits package

Reporting to the Programme Director and functionally to the Finance Director UK you will be responsible for the overall financial and commercial control of our Saudi Arabian contract and maintaining liaison with our client on financial and contractual matters.

This position would ideally suit a Chartered Accountant with twelve years post qualification experience including five years working in an equivalent position.

Financial Controller

UK Head Office c. £25,000 + Car

Reporting to the Finance Director you will be responsible for financial and management accounting, systems development and treasury duties. You will also provide top level reviews of project costings and the preparation and implementation of tax plans for IHG and its associated companies.

This position would ideally suit a dynamic Chartered Accountant with at least 5 years post-qualification experience preferably gained in a 'big eight' accountancy practice and in commerce.

In addition to the excellent salary and benefits package offered, the positions offer scope for enhancing your existing skills and developing your career in a successful international company. Please write with a detailed c.v. to R P Burnett FCA, Finance Director, International Hospitals Group, Stoke Park, Stoke Poges, Bucks SL2 4NS.

SAINSBURY'S HOMEBASE

Management Accountant

Nr. Croydon

to £24,000 + excellent benefits

Sainsbury's Homebase has quickly established a leading edge in the DIY and garden centre markets. Commitment to further expansion centres on high quality value for money products and customer service. With 34 stores around the country, growth is planned at a further 10 stores each year.

Reporting to and deputising for the Chief Accountant, you will be a key member of the financial management team. Leading 16 staff, there will be responsibility for the production and interpretation of Management Accounts, Company Budgets and Profit Forecasts, and for the Payroll Department.

A qualified Accountant is required, probably a graduate, with at least 5 years' post-qualification experience in the retail or service sector. In your late twenties/early thirties you will be

self-motivated, energetic and flexible, with good communication skills.

Excellent benefits include J. Sainsbury Group profit sharing after a qualifying period and executive share options. Relocation assistance is also available. Joining a young motivated team will give you excellent career prospects.

Please apply in confidence to Alison Hawley quoting reference 5013/71 on both envelope and letter.

**Deloitte
Haskins + Sells**

Management Consultancy Division

P.O. Box 198, Hillgate House, 26 Old Bailey, London EC4M 7PL

FINANCE DIRECTOR

LEEDS AREA

c.£30,000 + Car etc. Equity participation

Our client, a £25 million turnover, privately owned company, involved in travel and transportation, is entering a period of rapid growth. This will be achieved through a combination of organic growth and related acquisitions. The company is in a strong financial position and its prospects for the future are exciting.

An experienced, qualified accountant with a strongly commercial orientation is required to fill the position of finance director. He or she will also be responsible for computing and information systems.

Candidates should be very much all rounders but

particular strength is required in business planning, management information and treasury management.

The successful candidate will have a strong, well developed personality, and a down to earth approach to problem solving and the management of change. He or she will have good communication skills and will create a finance culture which is both strongly supportive of other business functions and plays a leading role in business development.

Please write in confidence, enclosing a full c.v. to Timothy Elster, Executive Selection Division, quoting reference no. L728.



Peat Marwick McLintock

Executive Selection and Search

City Square House, 7 Wellington Street, Leeds. LS1 4DW.

Young Finance Managers

M4-M25 corridors

Currently earning £20-40,000+

Take advantage of the new Michael Page Partnership office structure — spanning both ends of the M4 corridor (Bristol and Windsor); together with the Northern and Southern extremities of the M25 (St Albans and Leatherhead).

Whilst located to service the North and South Home Counties, Thames Valley and the South West; the offices are actively recruiting for senior roles in some of the UK's top companies in exciting provincial centres such as Milton Keynes, Reading, Swindon, Gloucester, Oxford, Southampton, Medway, Bedford and Cardiff.

If you are looking for an FC/FShip, a Treasury/Company Secretarial role or a

Senior Head Office/MCS position; Michael Page Partnership's Executive Division can offer you a local service from each of our offices.

Our Executive Division is staffed by qualified Finance Executives with proven recruitment experience who can proffer impartial career advice, give access to exciting new opportunities and provide sector/location insight.

For further information please write to Wayne Thomas enclosing a comprehensive cv at

Michael Page Partnership, Executive Division, 29 St Augustine's Parade, Bristol BS1 4UL.



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

A member of Addison Consultancy Group PLC

**ACCOUNTANCY
APPOINTMENTS
APPEAR EVERY
THURSDAY**

Management Accountant

Manufacturing Environment
Berkshire Up to £25k

Dynamic, expanding, young, are but a few adjectives describing Mars Electronics. A sophisticated, hi-tech company based in Berkshire.

We require a talented UK Manufacturing Accountant to join our top calibre team, who will manage a team of six and be responsible for all aspects of financial performance reporting for the manufacturing activities of the Company.

As a key member of the Finance Team, you will be expected to develop and implement sound accounting practices in support of a manufacturing strategy designed to take the Company into the 1990's and beyond.

A young, ambitious, qualified accountant (CA/CIMA/ACCA), you will ideally have experience of hi-tech, blue chip companies. However, and more importantly, you will have drive and energy coupled with well developed communication skills.

We offer an attractive salary and benefits package and career opportunities within the Mars Corporation are outstanding.

Phone Linda Dawson now to find out more on 0734 697700. Alternatively, send full career details to: Personnel Department, Mars Electronics, Eskdale Road, Winnersh Triangle, Wokingham, Berkshire. RG11 5AQ.

MARS ELECTRONICS

Partner Major International Accountancy Group

THE PARTNERSHIP is a well known name, highly regarded for its professionalism, range of services and a more personal approach than the competition.

THE POSITION is as a resident Partner responsible for developing an existing office in a delightful rural environment West of London. This is an opportunity to build a business with considerable operational autonomy in what is initially likely to have a strong private client orientation.

THE REQUIREMENT is for a qualified Chartered Accountant, 30-40, strong on business development, with particular expertise in private client work. This appointment requires a client orientated, strong marketing individual, having some personal tax background.

THE COMPENSATION package will be excellent as a potential Equity Partner participating in the profitability of a first class firm.

Please reply in confidence with full CV details by 17th July to Ref 6F16, Search Resources International, Rapier House, 40/46 Lambs Conduit Street, London WC1M 8LT.

APPOINTMENTS ADVERTISING
£43 per single column centimetre
Premium positions will be charged
£52 per single column centimetre
For further information, call:
01-248 8000

Daniel Berry Ext. 3456
Tessa Taylor Ext. 3351

Financial Controller

c£20,000 + bonus + car
North Surrey

An opportunity is available for a young, bright qualified accountant with management accounting experience to move up to the wider responsibilities inherent in a full financial controllership.

Our client, a major manufacturer of high quality packaging material with a turnover of £145m, requires a Financial Controller for an autonomous business currently generating revenues of £13m a year.

Reporting to the General Manager, the position requires the technical ability to manage the full accounting and control function. With a small finance team and computerised financial and business systems, the controller must ensure the timely production of accounting information for both group and local purposes. Equally important the controller will be responsible as a member of a small management team for contributing to improvements in efficiency and maximising competitiveness and profitability.

Applicants must be qualified accountants, aged 26-35, with relevant commercial experience, who will be able to manage the future development and operation of financial control systems within a commercially challenging environment.

Please reply in confidence, quoting ref L311 to:

Brian H. Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

**Mason
& Nurse**
Selection & Search

Financial Controller

Fast expanding plc c.£27,500 + car

Our client, a successful and rapidly expanding public group, with extensive overseas interests and sales c.£150M, wishes to appoint a Financial Controller for its UK operations. This position, which reports to the UK Managing Director and the Group Financial Director, includes considerable involvement with all the group's financial affairs.

Candidates, probably aged 28-35, should be fully qualified accountants (preferably ACA) and currently at a senior management level with a major 'Big 8' accountancy practice.

Alternatively, candidates could be working in the group head office of a plc with overseas interests, involved with group consolidation and Stock Exchange requirements. Experience of acquisitions would be a further advantage.

This position will appeal to those wishing to advance their career with an expanding and successful group where earnings advancement through personal performance could be substantial.

Please write or telephone in the first instance to Stuart W.J. Adamson FCA, Adamson and Partners Limited, 10 Lisbon Square, Leeds LS1 4LY. Tel: (0532) 451212.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

INSURANCE DIVISION OF A COMMERCIAL BANK

Requires an experienced person over 25 years of age capable of handling all aspects of insurance activities. Comprehensive experience required in all general and life assurance aspects. Excellent prospects for the right candidate together with an attractive salary and excellent benefits.

Please write with full C.V. to:
Box A0892, Financial Times, 10 Cannon Street, London EC4P 4BY

Management Consultancy

An exceptional opportunity to £35,000 + Car

Are you a Qualified Accountant with outstanding technical, commercial and personal skills and a track record of rapid upward progression within a large organisation? Do you now want a greater challenge? - one that would involve you in strategic thinking as well as practical action.

Our client is able to offer just that together with excellent long term career prospects. Working within talented teams you would be involved in providing practical and innovative solutions to a variety of problems, where the chance to make a real impact genuinely exists. These high profile positions offer exposure to senior decision

makers in both the Public and Private sectors and therefore your interpersonal and presentation skills will be tested to the full.

To be eligible for these challenging roles you must be aged 27-32, hold a good first degree and be committed to success in your career.

To take the next step, write enclosing your curriculum vitae, to:

Tony Martin, Executive Division,
Michael Page Partnership,
39-41 Parker Street,
London WC2B 5LH,
quoting the ref: 429.



Michael Page Partnership

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Internal Audit Manager

c. £22,000 + car + benefits West Country

C & J Clark Limited, the parent company of the international shoemaking and retailing group, with a turnover in excess of £600m wish to appoint an Internal Audit Manager.

Reporting directly to the Group Financial Director, you will be required to investigate and appraise the quality of financial accounting of the Group, both in the UK and overseas and to report and recommend accordingly. This newly created position is a key part of the Group's continuous drive to create effective growth.

Applicants will be aged in their late 20's to 30's, preferably graduates

and professionally qualified with audit experience, ideally at manager level in a large accounting firm.

We offer a salary of around £22,000 plus a comprehensive benefits package including relocation expenses to this beautiful area of Somerset.

The position offers excellent opportunities for further career development within the Group.

Please send your CV to:

David B. Humphrey, Management Development Manager, C & J Clark Limited, 40 High Street, Street, Somerset BA16 0YA.



GROUP FINANCIAL CONTROLLER

SW1

Salary/Benefits Negotiable

The recently formed J O Hambro Group of companies offers financial and advisory services to companies and individuals.

The Group employs 45 people, with companies now operating in: Securities Trading and Underwriting, Strategic Equity Investment and Financing, Corporate Finance, Business Consultancy, Corporate Communications, Investor Relations and Private Client Investment Management.

Rapid expansion requires us to appoint a Group Financial Controller who will assume responsibility for:

- Preparation of management and statutory accounts

- Assisting the Finance Director with project and venture-related duties

- Monitoring and developing the computing, accounting and reporting systems

- Cash flow management and forecasting

The ideal candidate will be a Chartered Accountant, thoroughly competent, personable with initiative and enthusiasm. At least two years post qualification experience in a relevant service company is required.

Please apply in writing, with a detailed CV to:

David Harland, Group Finance Director,
J O Hambro & Company Ltd, 30 Queen Anne's Gate, London SW1H 9AL

All applications will be treated in strictest confidence.

J O HAMBRO & COMPANY

Finance Manager

up to £22,000

Responsible for promoting Britain's tourism at home and overseas, the English Tourist Board and the British Tourist Authority have helped establish tourism as one of Britain's major growth industries.

In order to keep pace with rapidly increasing turnover and to enhance yet further its effectiveness through the implementation of the latest management techniques, the Finance Department is seeking to recruit additional talented professionals.

This new position based at our West London Headquarters, calls for a fully qualified accountant capable of achieving early and impressive results. Reporting to the Financial Controller and supported by a team of 16, you will assume responsibility for maintaining and developing an efficient transactions function. This will involve overall management of payments, credit control and treasury functions for both home and overseas; together with the control of a cash management system including purchase of foreign currency and the preparation of cash flow forecasts.

Proven management ability and international exposure within a commercial organisation are essential - as is in-depth experience of computerised systems, both mainframe and micro.

To arrange an early discussion, please write, enclosing your cv, to: Graham Meaden, Head of Personnel Administration, British Tourist Authority/English Tourist Board, Thames Tower, Black's Road, Hammersmith, London W6 9EL. Telephone 01 846 9000.



CHARTERED ACCOUNTANTS CANADA

The Financial Post recently selected the 100 Best Companies to work for in Canada.

We were the only firm of Chartered Accountants to have been selected by The Financial Post.

We will be conducting interviews in London during the week of August 10 to fill positions in our Toronto Office with recently-qualified Chartered Accountants.

Send C.V. in strictest confidence to:

Gary P. Kaye, CA, Partner
c/o Box A0600, Financial Times
10 Cannon Street, London EC4P 4BY
ZITTRER, SIBLIN, STEIN, LEVINE
Chartered Accountants
2 St. Clair Avenue East
Suite 600
Toronto

Ontario M4T 2T5
Tel: (416) 961-7700
Fax No: 1-416-961-2491

FINANCIAL ACCOUNTANT

City c£23,000 plus banking benefits

TSB England & Wales plc continues its rapid development and seeks an accountant to strengthen its wholesale banking accounts team.

Reporting to the Manager - Wholesale Financial Accounts, the successful applicant will be involved in the maintenance and monitoring of the financial accounting records for the Wholesale Banking division which includes Treasury and Corporate Finance activities. The responsibilities of the position include the preparation of monthly financial statements and reports for senior management and the Board as well as the collation of information for prudential supervisory and tax returns.

Candidates must be qualified accountants of graduate calibre and should possess at least 2 years post qualification experience preferably gained in a banking or other financial

services organisation. A practical knowledge of accounting for foreign exchange dealing and money market financial instruments would be an advantage. Experience of staff management is also desirable.

In return the Bank offers a competitive salary and benefits package including mortgage subsidy, non-contributory pension and 30 days annual leave as well as the opportunity for career advancement. Applicants should apply in writing providing a full curriculum vitae and details of present remuneration to:

G A Jones, Manager,
Personnel Services,
TSB England & Wales plc,
Administration Centre,
St Mary's Court,
100 Lower Thames Street,
LONDON EC3R 6AQ.



FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

c. £37,000 plus Car and Benefits

London

Our client is a substantial, successful and expanding ship management company, based in central London with well over 100 office staff. Our task is to help them recruit an outstanding financial controller to play a key role in the further development of the business.

The successful candidate will report directly to the managing director and, initially, will undertake the brief of maintaining the computer based day-to-day accounting, routine management reporting and financial control. On successful completion of this task, the brief will widen to total responsibility for all financial and administrative matters. It is envisaged that a board appointment will be justified within two years of joining.

Ideal candidates will be computer literate chartered accountants, probably aged mid-thirties to mid-forties, who currently hold a senior financial appointment in the ship management or related service industries. A natural leader is sought, capable of contributing in a dynamic environment and of moulding and leading a first class support team.

The significant initial remuneration package offered indicates the importance of the role. Please apply in strictest confidence, quoting reference number 14606, with full career and remuneration history to:

Norman Farrant, Director, Executive Selection Division,
Moore Stephens International Limited, St. Paul's House,
Warwick Lane, London EC4P 4BN.

MOORE STEPHENS
INTERNATIONAL LIMITED

Bright young Accountants needed for industry

Have you qualified as an accountant in the last two years? If so, and you are young, bright and want to stretch your ability in a challenging job, GEC can offer you the opportunity. With Britain's largest electrical and electronics company, people of the right calibre could rise to become Financial Directors in the Group.

Based at London head office, successful applicants will start by carrying out a wide variety of special assignments, including investigations of procedures and controls in the operating units. Consequently the job will entail extensive travel in the UK and perhaps abroad.

Applications giving details of your career and salary sought should be sent to:

A W Warren
The General Electric Company plc
1 Stanhope Gate
London W1A 1EH

ملنا من الأصل

FINANCIAL CONTROLLER

£30,000 + Bank Benefits

This major European Bank is looking for a senior financial officer to assume responsibility for the Accounting, Operations, Systems and Support Services. The requirement is for an ACA/FCA with banking experience, probably aged between 35-45 with exposure to both systems development and regulatory reporting. Proven ability to manage staff through line management is essential. Interested candidates with appropriate experience should send their curriculum vitae in complete confidence to:

Tom Kerrigan
Associates Limited
20 Wormwood Street
Bishopsgate
London EC2M 1RQ
Should you wish to discuss the position prior to submitting your curriculum vitae call Tom Kerrigan on 01-558 4303.

Chief financial officer

City to £40,000 + car + banking benefits



Our client is an autonomous, dynamic, global investment management firm backed by one of the world's most prestigious international financial institutions.

Reporting to the President, the Chief Financial Officer will play an important role in the Company's development, handling not only the overall financial and management accounting but also leading on corporate financial planning and budgeting, taxation and negotiations with fiscal and regulatory authorities and external advisers.

Aged around 30 and a qualified accountant, you must have substantial experience of the financial services sector gained either with a major firm of accountants or an international financial institution and been exposed to multi-currency operations. With a strong commercial leaning, you should be both innovative and versatile in approach, have an enquiring intellect, strong communication skills and a mature and independent personality.

Future prospects for the candidate who contributes successfully to the group's development are excellent and will not necessarily lie only in the financial sphere. Resumes, including a daytime telephone number, to Daphne Silvester, Ref. 732DS.

Coopers & Lybrand
Executive Selection
Shelley House, 3 Noble Street
London EC2V 7DQ
01-606 1975

Coopers & Lybrand
Executive Selection Limited
Shelley House, 3 Noble Street
London EC2V 7DQ
01-606 1975

HEAD OF FINANCE

N. London To £30,000pa + Outstanding Benefits

One of Britain's most prestigious service organisations is revitalising and expanding its retail insurance broking division which currently generates gross annual premiums approaching £50M. They now require a Divisional Finance Manager to perform a vital role in the enlarged operation, reporting to the Divisional Director and responsible for all aspects of organisation, financial, and management accounting.

You should have hands-on experience of managing an integrated finance department, possibly in the financial services sector. Additionally you should have a relevant professional qualification and be less than 45 years of age.

A competitive salary will be offered to the successful candidate together with a high quality car, non-contributory pension, PHI, private medical insurance and other benefits.



Please reply in the first instance to Ian R Hetherington, enclosing a full CV and quoting Ref: A050 at Mervyn Hughes International Ltd, 63 Mansell Street, London E1 8AN

R H Associates

A Division of Recruitment Holdings Ltd

Accountancy Recruitment Consultants

ARE YOU A HIGH FLYING ACCOUNTANT WITH YOUR FEET ON THE GROUND?

Business Analyst

Central London

£20,000 + Benefits

Interested? Ring Kiran Cartner
on 01-379 6668 (out of hours
on 01-530 2878) or send your CV.



18 Exeter Street, London WC2E 7DU
Telephone 01-379 6668 Telex 965423

Chartered Accountants for BP's Corporate Headquarters

BP is looking for several high quality graduate chartered accountants who have the potential to achieve management levels in one of BP's businesses or in one of its corporate head office departments.

Based initially in the Group's corporate headquarters, you will have an assignment in one of the Group's financial or internal control functions. Then, having enhanced your skills and gained a working knowledge of how a major multinational is managed, there will be opportunities for you to progress a financial or commercial career in one of the Group's many operations in London, elsewhere in the UK, or overseas.

You must be a qualified chartered accountant, aged 24 to 28, with an impressive track record to date, including a good university education. In addition, you must be a 'self-starter', personable, enjoy responsibility and show leadership qualities. Fluency in a major European language will be a decided advantage for some of the opportunities envisaged.

The remuneration package and conditions are excellent, commensurate with BP's position as Britain's premier company.

Please telephone for an application form (01-920 8218), or write enclosing a c.v. to Mrs J. L. Parker, Group Head Office Personnel, The British Petroleum Company p.l.c., Britannic House, Moor Lane, London EC2Y 9BU.

BP is an equal opportunity employer.



The British Petroleum Company p.l.c.

LINCOLNSHIRE POLICE

FORCE ACCOUNTANT

Grade P00 - Salary £12,894 to £14,100 per annum (Local Authority Conditions of Service).

Lincolnshire Police is one of the Forces leading the process of devolving budget responsibility to operational managers, and the Force is now seeking a Force Accountant following the retirement of the present postholder.

The person appointed will be expected to contribute significantly to the expertise in Financial Management within the Force, and to develop costing systems and the financial aspects of a management information system.

Duties will include assisting with the total financial strategy of the Force, interpretation of policy and the co-ordination of all financial matters in the Force. The postholder will report to the Force Administrative Officer and will assist in the management of the Pay and Finance Sections.

The post is situated at Force Headquarters, Nottingham, Lincoln, in a part of the country which has low housing costs and a high quality of life.

Applicants should be qualified accountants - not necessarily in the public sector - with 5 years relevant experience.

Relocation expenses are payable in certain cases.

A job description is available from: The Personnel Officer, Lincolnshire Police Headquarters, P.O. Box 998, Lincoln LN5 7PH. Closing date for applications: 17th July 1987.

Interviews are expected to be held during the week commencing 27th July 1987.

FINANCIAL CONTROLLER

£25,000 plus Benefits plus Share of the Action

Based in the West End of London the group is a rapidly growing firm of brokers with a reputation for innovation and marketing excellence.

Recent expansion and the need to face the existing new environment after the Financial Services Act has created a position which will be a key member of the management team with an active role in decision making. You will work alongside the directors in developing effective planning and budgeting backed by accurate management information and financial systems. Tight cash control and a continuous review of operational costs are ongoing requirements.

The ideal applicant will be Qualified with 3 to 5 years commercial experience. Imaginative and able to communicate well. Ambitious yet dedicated to producing the goods.

The group offers an excellent salary package with the definite opportunity for the successful candidate to participate within an equity incentive and to become Financial Director. Interested applicants should reply in confidence by forwarding full career details to:-

P. Ashley
Kabel Halsey Group
38 Soho Square
London W1V 6DF

OPERATIONAL REVIEW

c £23,000 + car

Our client, a major banking and financial services group based in the City, seeks to employ a young graduate accountant. The successful candidate will form an integral part of a highly regarded team of financial specialists, handling a wide range of complex and interesting work in London and all major financial cities. The attractive remuneration package includes a Company Car and a range of other benefits. Ref: A12244

RECENTLY QUALIFIED

c £25,000

Ideal opportunity for a young graduate accountant with a good academic background to join a financial investment company located in Central London. Key responsibilities will include: management reporting, a investment appraisal, a improving existing systems of security and financial matters. Excellent remuneration and career-structured benefit package. Ref: CK/322



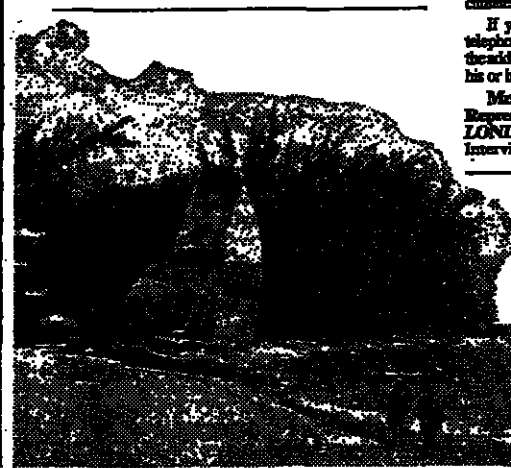
ACCOUNTANCY ASSOCIATES LIMITED
temp/perm recruitment consultants

4 VIGO STREET LONDON W1X 1AH TEL: 01-439 3387/8/9

BERMUDA, LAND OF OPPORTUNITIES

TRUST ADMINISTRATORS' OFFICERS

LOCATION BERMUDA



We are a diversified Bank Trust and Investment Management Company with assets exceeding USD 2.2 billion and 1300 staff in 5 worldwide locations. Our personal approach to business development has continued to attract a rapidly growing volume of international trust business from a sophisticated and high quality clientele. Capable and experienced Trust Administrators and Officers are required by our Personal Trust Department to manage this growing business.

As a Trust Officer or Administrator, you have obtained or are working towards your AIB Trusts Diploma or equivalent and have had considerable trust experience, much of it in an offshore location. You are looking for a new challenging position which will allow you to further develop your potential as a specialist in offshore trusts.

If this describes you, why not consider applying for these interesting opportunities at the Bank of Bermuda. We offer an attractive tax free salary and benefits package as well as the opportunity to enjoy Bermuda's comfortable climate and lifestyle.

Min New Roles: The Bank of Bermuda Limited, Bermuda Office, 12 Arthur Street, LONDON EC4A 3AB, England. Tel: 01 623 5551 Interviews will be conducted around 20th August 1987



Group Accountant

Mitcham Based

£Neg + Car + Profit Bonus

Our client, a subsidiary of a major international plc, operates a group of companies providing a range of high quality products and services for hire to the construction, building, catering and exhibition industries. Currently producing a turnover approaching £30 million p.a. and achieving excellent profits, this national market leader has exciting plans for continuing growth in the UK and Europe.

Reporting to the Group Financial Director, this appointment covers all the usual financial duties and in addition has responsibility for financial computing matters and selected administrative duties. There are real opportunities for direct commercial involvement in this rapidly expanding group and for career progression.

Applicants, preferably graduates aged 25-35, should be qualified accountants, able to offer at least one year's management experience, gained ideally in a service industry. Working French would be an asset.

Applicants should write, in complete confidence, enclosing a current curriculum vitae with salary details, quoting reference 17499 to:

Peter Childs
Pannell Kerr Forster Associates
New Garden House
78 Hatton Garden
London EC1N 8JA

Pannell Kerr
Forster Associates
MANAGEMENT CONSULTANTS

British Caledonian Airways

YOUNG ACCOUNTANTS

Your skills, Our future, Together We're Flying High

You will hardly need to be told that effective financial controls are an essential element in any successful business.

Our international structure and wide range of activities means that ensuring the necessary controls work is a job for specialists with considerable and far-reaching talents.

At British Caledonian we're leading the way as we always have, with new aircraft on order such as the technologically advanced A320 Airbus and with many new routes worldwide. All these investments for our future necessitate investing in the appointment of 3 young qualified Accountants, with 2/3 years post qualification experience, who will work out of our new offices situated close to Gatwick Airport.

Two will act as internal advisors and financial liaison managers able to interface across all sections of the organisation drawing together and developing all internal

accounting policies and procedures. The other will manage financial controls for all our 40 overseas offices enabling them to operate effectively within the global framework of the organisation.

These key appointments call for an authoritative yet vigorous approach: people who won't be content with the role of financial expert, but want to get actively involved in management in its widest sense.

Young and ambitious you can look forward to an excellent salary and a competitive benefits package including BUPA, relocation where appropriate and benefits associated with a major international airline.

Interested applicants should send their cv to Paul Ballard or Brigitte Regan-Simpkin at Austin Knight Selection, 17 St. Helen's Place, London EC3A 6AS. Or telephone them on 01-628 5021 (01-256 6925 evenings/weekends) for an application form. Quote ref 746/PB/27.

Group Financial Controller

Nottingham

c.£25K-£30K + car

Sandcliffe Motor Group is a family owned business whose success and growth over recent years has established it as one of the leading Ford main dealers in the Midlands. The Group now looks forward to an exciting phase during which it seeks further expansion and possible diversification into new spheres of operation.

The Group Financial Controller will be a key member of the senior management team during this period. Directly responsible to the Board, the main duties will be:

- To develop and maintain financial controls which ensure the Group's continued profitability.
- To investigate and advise on potential acquisitions and expansion projects.
- To provide financial expertise and assurance when dealing with other business associates.

Candidates will preferably be Chartered Accountants, aged 35-45 and should be able to demonstrate previous achievement in an industrial or commercial organisation. Commitment and the ability to motivate are essential, together with the personality to match the entrepreneurial skills of the owners.

Assistance with relocation expenses will be provided where appropriate.

Applicants should write, in confidence, with full personal and career details to Paul Clixby, Spicer and Pegler, Clumber Avenue, Sherwood Rise, Nottingham NG5 1AH.



Spicer and Pegler
Chartered Accountants

Management & Personnel Services

FINANCE DIRECTOR

Newport Pagnell

Our client, Beckwith plc, specialises in the design and manufacture of components and finished products, mainly for the transport and automotive industries. It also has a subsidiary company which is a leading manufacturer of constant force and torque springs. The company's strengths are in design, research and development, up to date technology and quality control.

The company was recently taken over by C H Industrials plc, which is a fast growing, broadly based industrial group. The group is committed to organic growth, within its identified market sectors.

As part of its new management team, Beckwith plc now wishes to appoint a Finance Director. The job holder will work closely alongside the Managing Director, and be directly

involved in the company's future development. Prime responsibility will be for the finance function, plus company administration, including purchasing and data processing. A qualified accountant is required who can demonstrate senior level experience in the engineering industry, preferably in the automotive/transport sector. A commercial attitude to business management is essential, as is the ability to adopt a 'hands-on' approach where necessary. Knowledge of computerised systems is a pre-requisite. This is a first class opportunity to get in on the ground floor of this company's positive development plans. Please write in confidence with full career details, including salary, to J B Slade quoting Reference No. JBS/2353-

c £23,000 + Car etc.

Management & Personnel Services, St. James's House, Frederick Road, Edgbaston, Birmingham, B15 1JJ

Tel: 021-456 2211

Finance Director c.£50,000 A Positive Future In Oil Exploration

Take total financial responsibility for the UK operations of an independent North American oil company which is one of the few actively developing operators in the UK.

Shrewd foresight has enabled it to strengthen its sound financial position during the past year and to continue a successful exploration and acquisition programme. With production revenues in 1986 exceeding \$80m, it is poised to commence a significant period of further expansion as it commences its first North Sea development as operator.

A Chartered Accountant, probably aged 35-45, you have substantial oil and gas experience. Ideally gained from an operator and including work on development projects. You are capable of

working with North American accounting principles, are familiar with the City's investment community and are used to dealing with Chief Executives.

The salary reflects the importance of this position and in addition you will receive a car and comprehensive benefits including stock option participation. Relocation assistance to London is available if necessary.

Please telephone or write (in complete confidence) to: **Sus Jagger, Simpson Crowden Consultants Limited, Specialists in Executive Search & Selection, 97/99 Park Street, London W1Y 3HA. Telephone: 01-629 5909.**

Simpson Crowden
CONSULTANTS

Assistant Tax Manager Europe

London

£25,000 - £30,000 plus benefits

Our client, part of a major multinational group in the service industry, is looking for a qualified accountant aged 26 - 30. Reporting to the Europe/Africa Tax Manager, the successful applicant will head a department responsible for the company's tax affairs in the UK and Europe. Responsibilities will include all aspects of tax reporting and compliance and involve a strong element of tax planning in an international tax environment.

This situation is an excellent opportunity for either a "heavy" Tax Senior or Tax Manager in the Profession to enter industry in a challenging and exciting role. It will also be of interest to experienced individuals working within the tax function of a major company, who are looking for ample front line opportunities to demonstrate their ability.

Prospects for career progression within the group, including the possibility of an overseas posting, are excellent.

Interested individuals should write to Peter Flamminger, enclosing a confidential resume and current salary details to: Financial Management Selection, 21 Cork Street, London W1X 1HB.

Financial Management Selection

Specialist Search and Selection Consultants

EDP/FINANCIAL AND OPERATIONAL AUDIT

£20-23K + F/E Car

We are a \$320 million turnover multinational computer company with headquarters in California, who are seeking to expand our recently formed internal audit function. As part of this expansion we wish to recruit a high calibre Accountant to undertake a variety of audit and non-routine assignments at our subsidiary companies throughout the world with emphasis on Europe. A high travel content is envisaged and therefore additional European languages would be an advantage. The prospects for

promotion within the company are good for the right candidate.

Aged 27-35 and ideally a qualified Accountant you should have experience in this field and possess strong but tactful communication skills.

If you feel you have the credentials to meet this tough but rewarding position please write enclosing detailed cv in the first instance to: J.G. Mackay, Country Controller, MAI UK Limited, Black Arrow House, Chandos Road, London NW10 6NE.

MAI BasicFour
Computers That Mean Business

PA TO PARTNER

£23,000 - WEST END

Our client, a small dynamic practice, seeks a young ambitious chartered accountant with 2/3 years PQE. "Top 8" background would be preferable. Excellent prospects for partnership in the short term.

Please call: David Paton on 01-734 4836 or Redhill 762094 (evenings)

Alternatively write to: FINANCE RECRUITMENT, Grafton House, 2/3 Golden Square, London W1. (Ref. 263)

RECENTLY QUALIFIED

£20,000 - WEST LONDON PLUS PARTNERSHIP PROSPECTS

Dynamic young practice seeks a first class ACA with one or two years PQE. The position will involve a mixture of audit and general practice work. This is an excellent opportunity for a determined first class young applicant.

Please call David Paton on 01-734 4836 or Redhill 762094 evenings. Alternatively write to: FINANCE RECRUITMENT, Grafton House, 2/3 Golden Square, London W1 (Ref. 313)

International Appointments

GROUP FINANCIAL CONTROLLER BARBADOS, W.I. HOTEL GROUP

Package c.£25,000 pa.

Our client, a successful and expanding leisure group operating in Barbados, requires a Group Financial Controller.

Reporting to the Chairman, you will be a qualified accountant, probably in the age range 25-30, ideally having spent two years in commerce since qualifying and possessing a good all-round personality able to liaise at all levels within the operation.

The position carries with it considerable responsibility and requires candidates of high calibre and integrity. Experience in the hotel and catering industries would be relevant and hands-on competence in computer based accounting and reporting systems is a further requirement.

This appointment offers an excellent salary, car, free accommodation and good career development potential.

If you are interested, please telephone Stuart W J Adamson FCA on (0532) 451212 or send your CV to Adamson and Partners Limited, 10 Lisbon Square, Leeds LS1 4LY.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

MONACO

Finance Manager

Rapidly expanding Management Services Group urgently requires a newly qualified C.A. A strong background in Accounting and Auditing is essential and whilst familiarity with micros is preferable, French is not necessary.

Please reply to:

Miss Kate Clowes, c/o E.M.L.,
Handel's House, 1st Floor
25 Brook Street, London W1
Tel: 01-493-6223

FINANCE DIRECTOR (DESIGNATE)

c. £30,000 + Car

Christie-Tyler PLC, the leading furniture manufacturer in the UK and a member of the Hillsdown Holdings Group, has a vacancy for a Finance Director at one of its subsidiary companies. The company, which is based in South Humberside, is fully autonomous and a market leader within the upholstery industry and is currently involved in a major £7 million expansion of its activities.

Candidates, preferably between 28 and 40 years, must be qualified Accountants with previous experience at a senior level in industry or commerce. The person must have sound commercial awareness and be prepared to take an Active role in the general management and development of the Company in addition to controlling all financial and administrative aspects.

This is an excellent opportunity in an interesting environment and offers good prospects for further career development within the group. The package includes a basic salary plus a bonus based on results together with benefits which include a car, pension, free life assurance and BUPA and relocation assistance.

Please apply with full career and personal details to: K.C. O'Sullivan, FCA, Finance Director, Christie-Tyler PLC, Brynmelyn, Bridgend, Mid Glamorgan CF32 9LN.

QUICK Corp.

COMPANY ACCOUNTANT

QUICK is the leading provider of Japanese and Global financial and market quotations to the world. We are looking for a fully qualified Certified Accountant to help develop the London office's accounting system.

Knowledge/experience in computing, particularly accounting software, is an advantage. Age 22-30.

EXCELLENT SALARY EXCELLENT PACKAGE EXCELLENT PROSPECTS

If interested, please write to:

QUICK CORP

4th Floor

The London International Press Centre

76 Shoe Lane, London EC4A 3JB

or call Evan Agapitos on 01-353 2171

Closing date: 16th July 1987

DATA PROCESSING MANAGER

c£20k plus car

Bournemouth

Our Client seeks a highly professional DP Manager who will be required to maintain an existing IBM facility, presently operating on 38 and 36 mins and PCs, with imminent plans to convert to a mainframe installation due to the company's rapid market growth.

Your role will be to manage the existing operation, act as a pro-active change agent and initiate and develop plans for the conversion. Ability to control the installation programme, ensure budgetary targets are met and all on-going business needs are catered for is essential.

The successful candidate will have at least 5 years' operations management experience.

proven working knowledge of IBM facilities, a background heavily orientated to insurance and financial services and want a challenging and rewarding position.

Orientation training will take place in the United States and the package includes free family medical cover, non-contributory pension, PHI and life assurance schemes.

Applications with full CV, present salary plus a listing of companies to whom you do not wish your details forwarded should be directed to:

Maggie Totton, Account Executive,
BAM Confidential Reply Service,
100 Whitechapel Road, London E1 1JB.

BAM

BAM CONFIDENTIAL REPLY SERVICE

NEWLY QUALIFIED ACCOUNTANT

Central London £16,000 + car

Our client provides high-quality services in diverse specialised markets. The exciting development of the Group has created an urgent need for a commercially-minded, recently-qualified Accountant who is capable of contributing to the Company's drive for growth.

The successful candidate will report to the Group Financial Director and will be actively involved in the run-up to flotation. Responsibilities will include direct involvement in subsidiaries / problem solving plus acquisitions and interpretations of financial reports.

We seek someone possessing a strong commercial awareness and the ability to communicate effectively with senior management in all disciplines. They will progress quickly, taking advantage of the exceptional opportunities created by the expansion of the Group.

To discuss this appointment fully telephone day or evening.

Thomas E. Gray Tel: 0277 355385

Executive Recruitment Consultants

CORPORATE FINANCE EXECUTIVE

Disillusioned with Commuting?

We are a North-West based stockbroking company which is part of a publicly quoted and developing financial services group.

Our growing activity in Corporate Finance has created an opportunity for a young and enthusiastic, financially orientated, professional person to add to our expanding corporate finance team.

The responsibilities will cover all aspects of corporate finance, including flotations, capital raising, mergers and acquisitions. Candidates, who should be graduates, are expected to possess qualifications in the fields of accounting and finance and have a developing interest in stockbroking. Salary and benefits according to qualifications and experience.

Prospective applicants should write to:

Dr K W Wilson, Corporate Finance Director,
CHARLTON SEAL LIMITED,
76 Cross Street, Manchester, M60 2EP.

MERCHANT BANKING

Graduate ACA/CA's 22-30

Package Neg. c. £25,000-£30,000 plus

Our THREE clients are a major UK FINANCIAL INSTITUTION, a leading UK STOCKBROKER and a dynamic UK FUND MANAGER with a glowing track record. Between them, they require NO LESS THAN 7 YOUNG QUALIFIED ACCOUNTANTS in the probable age range 22-30.

You must have a good academic background but above all a pleasant though firm personality. The vacancies are all CITY based apart from the requirement for a GUERNSEY based FINANCE DIRECTOR.

If you think you're EXCEPTIONAL, please contact:

George D. Maxwell
Managing Director
ACCOUNTANCY EUROPE
1-3 Mortimer Street
London W1M 7RN
Tel: 01-580 7739/7895 (direct)
or 01-637 5277 extn 251/252

Accountancy Appointments Europe

EUROPEAN TROUBLESHOOTERS

ACA's 22-33

Neg. c.£24,000

Our client, a major US MULTINATIONAL in the TOP 100 companies in FORTUNE 500, has extensive interests in EUROPE, and currently two vacancies for candidates with strong professional backgrounds, particularly young men and women who have already worked in EUROPE or in any OVERSEAS location for whom travel and being part of a well organised and motivated team hold attraction.

A second European language facility in FRENCH, GERMAN, DUTCH ITALIAN or NORWEGIAN would be advantageous and explicit assistance is available from the company for linguistic improvement. The company operates at the forefront of modern accounting technology and provides a "FINISHING SCHOOL ENVIRONMENT" for the BUSINESS ORIENTATED ACCOUNTANT.

Please telephone in the first instance and send your cv to:

George D. Maxwell
Managing Director
ACCOUNTANCY EUROPE
1-3 Mortimer Street
London W1
Tel: 01-580 7739 (direct)
01-637 5277 extn 251/252

Accountancy Appointments Europe

Appointments Advertising

£43 per single column centimetre. Premium position will be charged £52 per single column centimetre.

For further information, call:

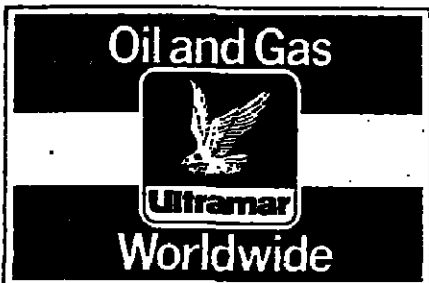
01-248 4782

Daniel Berry

Ext 3456

Tessa Taylor

Ext 3351



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday July 2 1987



PRESSURE ON CAR GROUP TO TAKE AEROSPACE STAKE

Daimler silent on MBB link

BY HAIG SIMONIAN IN FRANKFURT

THE WEST GERMAN Government is trying hard to persuade Daimler-Benz, the vehicles group which has diversified into aerospace and electronics, to take a stake in Messerschmitt-Boelkow-Humboldt (MBH), Germany's partner in the European Airbus consortium.

A possible Daimler shareholding has been widely mentioned in the past, although the company has not shown any enthusiasm. The federal government is now attempting to persuade Daimler to take a little under 30 per cent of MBB by buying part of the shares held at present by the states of Hamburg, Bremen and Bavaria.

Mr Werner Breitschwerdt, Daimler's chief executive, would not confirm suggestions that it was now more prepared to take a stake.

Instead, Daimler has been diversifying elsewhere. In recent years it has taken over AEG, the electronics group, Motoren und Turbinen Union (MTU), an aero-engine manufacturer, and Dornier, West Germany's second biggest aircraft maker.

However, while he admitted that closer co-operation would be necessary in the aerospace industry in future, he made clear this did not necessarily require Daimler to buy into MBB.

Nevertheless, the idea may have become more palatable following the Government's decision to grant Deutsche Airbus, which is 100 per cent owned by MBB, DM 5bn (\$2.7bn) in public funding for its share in developing the planned Airbus A330 and A340 projects.

Deutsche Airbus had originally asked for DM 7bn, and further public money could become available in future years.

Dornier may also be interested in closer co-operation with MBB over its planned new commuter aircraft.

Mr Breitschwerdt said Daimler's group turnover for the first half of 1987 had risen by 1 per cent to DM 31.5bn from DM 31.3bn for the equivalent period in 1986.

Passenger car turnover increased slightly to DM 15.3bn against DM 15.2bn for the first half of 1986,



Werner Breitschwerdt, Daimler chief executive

while commercial vehicles went up by 5 per cent to DM 9bn against DM 8.6bn.

Turnover also rose at AEG by 5

per cent for the first six months of 1987 to DM 5.2bn, compared with DM 5bn for the first half of 1986.

However, MTU's first half turnover decreased by 3 per cent to DM 1.2bn against DM 1.24bn in 1986 on account of the weakness of the dollar, which was also responsible for a 13 per cent fall in Dornier's sales to DM 810m against DM 930m in the first half of 1986.

Mr Breitschwerdt said exclusivity, top technology and high quality, the corner stones of Daimler's passenger car philosophy, were the only way to beat off the Far Eastern competitors which were trying to break into the luxury car market.

However, he remained confident about the prospects for Daimler's luxury cars in 1987. Exports, in particular, would rise, in contrast to the trend elsewhere in the German car industry, with Daimler's US sales likely to exceed last year's level of 104,670 cars.

Daimler-Benz itself would be investing over DM 18bn in the next five years, 60 per cent of which would be spent on car production.

Siemens confirms KWU reshaping

By David Marsh in Bonn

KRAFTWERK UNION (KWU), the West German power reactor company, is to become an operating division of Siemens within a restructuring of the electrical giant's energy activities.

The reorganisation, first announced at the beginning of the year, was confirmed at a supervisory board meeting of Siemens on Tuesday. Taking effect in October, it will bring a series of new energy activities under the KWU wing to strengthen its overall business which has been badly hit in recent years by weaker nuclear orders.

KWU, which in the last business year ended September 30, turned over an unusually low DM 2.7bn, (\$1.47bn) was already a 100 per cent subsidiary of Siemens, but is now being brought substantially closer to the parent company. It should have annual sales of around DM 7bn in the current year, employing 25,000 people, Siemens said.

Activities to be transferred from other parts of Siemens operations include production of regenerative energy, such as through solar systems.

Godfrey agrees to Fleming offer

GODFREY, a Wisconsin food distribution group, has agreed in principle to be acquired by Fleming Co, another US food distributor, in a stock transaction worth around \$170m, our Financial Staff writes.

Godfrey distributes food through 89 owned and affiliated retail supermarkets in southern and eastern Wisconsin.

Lazard unit builds up 5% holding in CCF

BY GEORGE GRAHAM IN PARIS

LA FRANCE, the insurance subsidiary of the Lazard investment banking group, has built up a stake of nearly 5 per cent in the newly privatised Credit Commercial de France (CCF).

The acquisition of the stake is thought to partly provide an explanation for the recent steady rise in the price of CCF's shares against the background of a generally falling Paris stock market. They are now trading at FF 133 (\$21) after being floated at FF 107 in May.

Dealers said a single Paris stockbroker had been responsible for most of the buying orders over the last few weeks, although other investors had also shown interest in CCF, France's tenth largest bank.

The Lazard offshoot said it had been a candidate for the "hard core" investors, who are allowed to buy significant stakes in privatised companies ahead of their public flotation but who must commit themselves to holding on to their shares for at least two years.

The enormous demand from French private investors for privatisation shares has meant that the hard core procedures have been virtually the only way for institutions to acquire shares.

La France said its application for the CCF hard core had not been accepted, so it had bought up shares in the market after the bank's flotation. It does not intend to increase the stake further.

The insurance company notified CCF of its holding before it reached the 5 per cent limit, at which it is legally obliged to inform the stock exchange authorities.

CCF has its own rule requiring holders of more than 0.5 per cent of its capital to inform the company, at the risk of losing voting rights. Now that the company has been notified, however, the voting rights are expected to be restored.

Paris brokers say that even without La France's buying, investors have been interested in CCF, seeing it as ridiculous that the bank should only be valued at the same stock market capitalisation as the far smaller but very highly rated financial group Dumezil Leblé.

Campeau aims for European joint ventures

By Robert Gibbons in Montreal

MR ROBERT CAMPEAU, the Canadian property entrepreneur, says his company is digesting the C\$5.4bn (\$US\$2.5bn) acquisition of Allied Stores of the US and he plans to push his merchandising arm into Europe.

Allied's Brooks Brothers and Ann Taylor divisions would be extended into Europe in co-operation with local interests, he said, after the Campeau annual meeting in Toronto. He plans negotiations with the Fiat Group and Benetton in Italy for a possible joint venture.

He envisages around 100 Ann Taylor and Brooks stores in Europe within a few years, and both chains may be expanded into Canada. The divisions are the most profitable parts of Allied's merchandising business.

Mr Campeau said the programme to sell off 18 Allied divisions would generate more than the earlier estimates of US\$1.1bn. So far, 11 divisions have been sold or are near the sale point for a total US\$900m, and Allied is negotiating to dispose of the other five.

Rationalisation and restructuring at Allied's remaining operations, including real estate and data processing, continue to enjoy significant competitive advantages against foreign rivals, America's relative position in other equally important areas, particularly engineering, construction and technology licensing, has markedly declined.

These are among the main conclusions of the most extensive study on the competitiveness of US service industries ever undertaken by an official body. The report, published yesterday by the Office of Technology Assessment (OTA), a non-partisan agency of the US Congress, suggests that hopes of reducing US trade deficits by liberalising international trade in services are largely illusory.

Even though service exports are substantially underestimated in official statistics, the OTA's analysis of private sector data puts service exports in 1984 at somewhere between \$89bn and \$91bn, compared with the official figure of \$43.8bn. The same is true of service imports.

The OTA estimates that America's true trade surplus in non-bank services was \$14bn, only \$12bn higher than the official figure and very small in comparison with the huge deficits in US trade in goods.

Furthermore, statistical under-reporting has not been responsible for the recent decline in the US service trade performance, which the OTA estimates to have gone into deficit by 1985.

Because trade in goods will remain far more important to the US

Deminex suffers group net loss of DM 134.7m

BY OUR BONN CORRESPONDENT

DEMINEX, the West German oil exploration and production company mainly owned by the Veba energy conglomerate, suffered a group net loss of DM 134.7m (\$73.6m) last year after a DM 64.4m loss in 1985.

Mr Ernst Hotz, the chairman, blamed the deterioration on a combination of sliding crude oil prices and the strong D-Mark, but said the company's build-up of oil reserves placed it in an improved position to reach financial independence by the end of the decade.

The recovery in the international oil price to around \$18 per barrel had brought a "ray of light," but the company was also likely to make a loss in 1987 before returning to the black in 1988, Mr Hotz said.

"The bumping set up in 1986 in a government-inspired attempt to carve out an independent West German place on the world oil market,

is 54 per cent owned, by Veba. The remainder is held by three other oil groups - Wintershall, owned by BASF, Union Rheinische Braunkohlen Kraftstoff, Saarberg Oel und Handel. The Government has pledged to put up a substantial share of the company's exploration spending up until 1989.

The Deminex parent company made a loss of DM 119.9m last year after a profit of DM 67.4m in 1985. This did not include losses of some subsidiaries, including two in Britain and one in the US, which do not have an agreement to transfer profits or losses to the parent company.

Mr Gunther Vowinkel, board member responsible for finance, said two British subsidiaries made losses of \$31m, including start-up costs incurred with development of the Balmoral North Sea oil field, with its US subsidiary losing \$6.7m.

These losses were covered by loans from the parent company. Deminex parent company turnover slumped to DM 785m from DM 1.55bn, with group turnover down to DM 800m from DM 1.67bn.

Shareholders boosted nominal capital from DM 245m to DM 300m through a cash injection in February. Mr Vowinkel said further efforts to strengthen the company's financial resources would be necessary in coming years.

The Bonn government has to date injected DM 2.1bn in Deminex through loans and grants, with shareholders putting in DM 1.1bn.

Mr Hotz said, assuming a moderate rise of between \$2 and \$4 per barrel of oil by the end of the decade, and a dollar D-Mark rate steady around 1.80 to 1.90, the company would reach its goal of financial independence by 1989-90.

Orkla Borregard advances 10%

BY KAREN FOSSLI IN OSLO

NORWAY'S Orkla Borregard, the industrial and investment group, posted first four month results of Nkr 110m (\$18.3m) compared to Nkr 100m in 1986. Earnings per outstanding share before tax reached Nkr 18, compared to Nkr 17 in the same period of 1986.

Orkla Borregard says that the or-

inary result for industrial activities improved by more than 40 per cent to achieve Nkr 91m. Although investment activities also improved and showed a result in real terms of more than Nkr 200m, only Nkr 31m was realised and included in the recorded result.

Restructuring in the group is con-

tinuing and several subsidiary companies have been sold. One agreement of purchase, however, has been made to acquire Western Region Bakery Articles, a producer of bakery margarine.

The group's unallocated financial items improved by Nkr 20m, due to loans in foreign currencies.

STUDY CRITICISES WHITE HOUSE ON TRADE LIBERALISATION PRIORITIES

Warning of weak spots in US services

BY ANATOLE KALETSKY IN NEW YORK

THE MOST important US service industries could prove as vulnerable to foreign competition as US manufacturers and there is "no compelling justification for the unusually high priority" which the White House has accorded to liberalising international trade in services.

In fact, while some high-value services, including banking and data processing, continue to enjoy significant competitive advantages against foreign rivals, America's relative position in other equally important areas, particularly engineering, construction and technology licensing, has markedly declined.

These are among the main conclusions of the most extensive study on the competitiveness of US service industries ever undertaken by an official body. The report, published yesterday by the Office of Technology Assessment (OTA), a non-partisan agency of the US Congress, suggests that hopes of reducing US trade deficits by liberalising international trade in services are largely illusory.

Even though service exports are substantially underestimated in official statistics, the OTA's analysis of private sector data puts service exports in 1984 at somewhere between \$89bn and \$91bn, compared with the official figure of \$43.8bn. The same is true of service imports.

The OTA estimates that America's true trade surplus in non-bank services was \$14bn, only \$12bn higher than the official figure and very small in comparison with the huge deficits in US trade in goods.

Furthermore, statistical under-reporting has not been responsible for the recent decline in the US service trade performance, which the OTA estimates to have gone into deficit by 1985.

Because trade in goods will remain far more important to the US

economy than trade in services and given that other nations will "seek concessions on trade in goods in return for liberalisation of services," the OTA warns US negotiators in the forthcoming Uruguay GATT round against "aggressive pursuit of services agreements which could harm the prospects for improving

construction contractors are singled out for losing international leadership in "a surprising number of technologies," including tunneling and reinforced concrete construction.

The agency makes similar but more muted observations about America's invisible earnings from technological royalties generally, which contribute about \$6bn a year to the US balance of payments.

Commercial banking comes off better, but is also warned against complacency. The "only real threat" to this industry, which is estimated to have earned around \$9bn in foreign revenues, is seen as coming from Japan, largely because of the immense international assets which the Japanese banks now command.

While the Japanese still lack some expertise in international banking, this is an industry where "few of the forces affecting competitiveness make a big difference the way that technical skills do in the commercial aircraft industry" and where "innovations diffuse with considerable speed."

Under these circumstances, the banks "should not diverge much" in their inherent competitive abilities, but sheer size could give the Japanese banks an advantage outweighing the experience of the US institutions, the report said.

The OTA questions whether the US authorities should be urging financial liberalisation on the Japanese Government, since "the magnitude of the competitive threat to US banks depends first of all on the speed of deregulation in Japan's domestic financial markets."

tunneling and reinforced concrete construction.

With competition intensifying and technological progress accelerating, not only in Japan and Europe but also in Third World countries like Korea, Brazil and India, the competitive future for US construction companies "resembles that of the nation's smelting and manufacturing industries," the OTA grimly notes.

The agency makes similar but more muted observations about America's invisible earnings from technological royalties generally, which contribute about \$6bn a year to the US balance of payments.

Commercial banking comes off better, but is also warned against complacency. The "only real threat" to this industry, which is estimated to have earned around \$9bn in foreign revenues, is seen as coming from Japan, largely because of the immense international assets which the Japanese banks now command.

While the Japanese still lack some expertise in international banking, this is an industry where "few of the forces affecting competitiveness make a big difference the way that technical skills do in the commercial aircraft industry" and where "innovations diffuse with considerable speed."

Under these circumstances, the banks "should not diverge much" in their inherent competitive abilities, but sheer size could give the Japanese banks an advantage outweighing the experience of the US institutions, the report said.

The OTA questions whether the US authorities should be urging financial liberalisation on the Japanese Government, since "the magnitude of the competitive threat to US banks depends first of all on the speed of deregulation in Japan's domestic financial markets."

The agency also warns that banking is the one industry where freer trade "seems to carry the potential for severe disruptive impacts," because of the increasing difficulties of regulating the solvency of the internationalised financial system.

By contrast, in information technology services, the third industry

The report also contains a cautionary note for the commercial banking sector and a warning against "complacency." The OTA cites the "only real threat" as coming from Japanese banks

considered, the US has clear strategic reasons for promoting international trade, since freer flows of information services could well have a leveraging effect.

The US is currently highly competitive in all information technology services, the OTA says. However, while the US lead is secure in data processing and information services, the two most important sectors, telecommunications and software, "will be a good deal more volatile and may demand attention from policymakers."

In telecommunications, foreign companies, backed by governments and FET monopolies, could eventually make inroads on US competitiveness, especially since the US has not yet devised a satisfactory structure for technical coordination and long-range planning since the breakup of AT&T.

Software development has been identified by several countries, particularly Japan, as the key to challenging US dominance of the computer industry as a whole.

This announcement appears as a matter of record only.



THE KYOWA BANK, LTD.

U.S. \$100,000,000

Revolving Credit Short Term Certificate of Deposit Issuance Facility

Arranged by:
Chase Investment Bank

Kyowa Bank Nederland N.V.

Provided by:
The Chase Manhattan Bank, N.A.

Banco di Roma, Hongkong Branch

Bank of America NT & SA

Bankers Trust Company

Barclays Bank PLC

Citibank, N.A.

Crédit Lyonnais

The Hongkong and Shanghai Banking Corporation

The Royal Bank of Canada Group

Tender Panel for Advances:

Chase Investment Bank Limited

Banco di Roma, Hongkong Branch

Bank of America International Limited

Bankers Trust International Limited

Barclays Bank PLC

Citibank Investment Bank Limited

Crédit Lyonnais

The Hongkong and Shanghai Banking Corporation

Orion Royal Bank Limited

Facility Agent, Tender Panel Agent and Swingline Agent:
The Chase Manhattan Bank, N.A.

March, 1987



Chase Investment Bank



Kyowa Bank Nederland N.V.

INTERNATIONAL COMPANIES and FINANCE

GENERAL DYNAMICS SETS THE RECORD STRAIGHT WITH ITS BEST CUSTOMER

Defence group pacifies the Pentagon

BY DAVID BUCHAN, RECENTLY IN ST LOUIS

GENERAL DYNAMICS and the Pentagon are each other's largest customer - and are at last patching up what has been an extraordinarily bad relationship.

Only two years ago GD and the Pentagon seemed to be at war on many fronts. Amid charges that it was engineering cost overruns and billing false overhead costs, GD was pilloried in Congress, investigated by the Justice Department, from May to August 1985 suspended from all payments by the Navy, and from December 1985 to February 1986 barred from all new Pentagon contracts.

Yet in recent weeks the Justice Department has dropped two lengthy cost fraud prosecutions against GD for lack of evidence. Mr John Lehman commented, just before he resigned as Navy secretary, that there was now "no better working relationship than that between the Department of the Navy and GD."

Mr Stanley Pace, chairman in chief executive and chairman in

late 1985 to clean up GD, regards the Lehman comment as the company's "graduation diploma," back to corporate respectability.

"When I arrived in 1985, giving the company an acceptable image was my first priority," Mr Pace explained in an interview at the company's headquarters in St. Louis.

"While on technical grounds the prospects of our products winning contracts were good, if we didn't get this image corrected and corrected quickly, it would soon become a swing factor in the award of contracts, either explicitly or implicitly."

So, GD's 100,000 employees were put through their ethical paces. By the end of 1986 all had attended "ethics awareness" seminars. All 80,000 workers who used timecards, the basis of Pentagon contract accounting, were re-trained to write out their cards in indelible ink and to allot their time to the correct programme.

With these elaborate measures in

place, the attention of management has swung back to the business of making weapons and money.

The company has the most diversified base of any US defence contractor, making weapons systems for each of the three services. Most of these programmes have a substantial backlog of orders to help GD through the current "down cycle" in US defence procurement.

Nearly 2,000 F-16s have rolled off the company line at Fort Worth or

been co-produced around the world. Total orders of over 4,000 M-1 tanks have been made, but orders for 7,500 are expected.

The only new area where GD may face competition, as it already does on its missile business, is in the manufacture of Trident submarines.

The Navy is trying to entice Newport News of Virginia into competition on the remaining six or seven submarines that remain to be contracted (Britain, the only export customer for Trident missiles is making its own submarines).

However, GD faces two problems. The specific one is the drain on profits caused by the 1985 acquisition of Cessna, which like the rest of general aviation continues to lose money.

Last year GD decided to write off \$420m of the Cessna purchase price, thus turning a 1986 net profit of \$367m on sales of \$8.8bn into a \$52m net loss, and to reduce the size of the (probably unsaleable)

Cessna business still further. The second problem is the tougher procurement conditions of lower prices, larger up front costs and higher risk that the Pentagon is imposing on all defence contractors.

General Dynamics has a two-fold strategy for this, according to Mr Standley Hoch.

For the first time in a long while, GD has taken on a sizeable amount of long term debt: a total of \$425m with an average life of 20 years, at an average 8.2 per cent rate.

From the mid-1970s to the mid 1980s, GD paid zero income tax because of a switch to completed cost accounting (allowing tax to be deferred until the end of long term contracts).

These deferred taxes have now become payable in the 1986-88 period. For the future, says Mr Hoch, GD has become much more selective, not about the defence programmes it bids on, it still wants to remain the lead US contractor, but about the prices at which it bids.

Portugal calls two major banks to account

BY DIANA SMITH IN LISBON

PORTUGAL'S Finance Ministry has refused to approve the 1986 accounts of two state-owned banks, the Banco Nacional Ultramarino (BNU) and Banco Borges e Irmao (BBI).

After a decade in which the banking sector has been allowed to fudge its accounts and draw a veil over heavy underlying losses, the Government is now calling for a drastic accounting overhaul.

In effect, the government decree means that if a bank has made a

loss it must admit to it. Earlier this year Banco Fonseca e Burnay disclosed a loss of \$23bn (\$23m).

BNU and BBI, which are widely understood to be in considerable difficulties because of bad loans and over-indebtedness, were expected to follow Banco Fonseca's example.

Instead, BBI tried to declare an \$185m profit for 1986. After an examination of the bank's accounts, Finance Ministry inspectors have ordered the bank to declare a loss of \$23m.

We are pleased to announce

Tony Burns

and

Lorraine Meade

have become

Vice Presidents

of our firm

Mabon, Nugent International

One Portsoken Street
London E1 8DF England

These securities were offered and sold outside the United States of America.
This announcement appears only as a matter of record.

June, 1987

U.S. \$50,000,000



Coeur d'Alene Mines

CORPORATION

(Incorporated in the State of Idaho)

6% Convertible Subordinated Debentures Due 2002

Kidder, Peabody International
LimitedE. F. Hutton & Company (London)
Limited

Banque Paribas Capital Markets Limited

Merrill Lynch Capital Markets

Samuel Montagu & Co. Limited

Union Bank of Switzerland (Securities) Limited

Vereins- und Westbank
Aktiengesellschaft

S. G. Warburg Securities

PKBanken
U.S. \$50,000,000
Floating Rate
Notes due 1991

For the six months 30th June, 1987 to 30th December, 1987 the interest rate has been fixed at 2 7/8% per annum. Interest payable on 30th December, 1987 will be U.S. \$120.73 per Note of U.S. \$10,000 denomination.

Bankers Trust Company, London Agent Bank

This announcement appears as a matter of record only.

March, 1987

HONEYWELL BULL INC.

U.S. \$ 400,000,000
Multiple Option Financing Facility

Arranged by

Banque Nationale de Paris

Co Arranged by

Morgan Guaranty Trust Company of New York
The Industrial Bank of Japan, Limited, Paris Branch

Lead Managers

Banque Nationale de Paris

Morgan Guaranty Trust Company of New York

The Industrial Bank of Japan, Limited, Paris Branch

Royal Bank of Canada

Barclays Bank Group

The Bank of Nova Scotia Group

Crédit Industriel et Commercial de Paris

Security Pacific Merchant Bank

Canadian Imperial Bank of Commerce

Commerzbank Aktiengesellschaft

The Fuji Bank, Limited

Banca Commerciale Italiana, Chicago Branch

The Dai-ichi Kangyo Bank, Limited

Toronto Dominion Bank

Société Générale

The Tokai Bank, Limited

Westdeutsche Landesbank, New York Branch

Co-Lead Managers

Amsterdam-Rotterdam Bank NV

Credito Italiano, New York Branch

Norwest Bank Minneapolis, NA

Republicbank Dallas, NA

Managers

Banca di Roma, Chicago Branch

Banca Nazionale del Lavoro, Chicago Branch

Banque Indosuez

Banque Paribas, Chicago Branch

Crédit Commercial de France

Crédit Lyonnais

Crédit National

The Long-Term Credit Bank of Japan, Limited

Union de Banques Arabes et Françaises - UBAF

Facility Agent:

Banque Nationale de Paris

Tender Panel Agent:

BNP Capital Markets Limited

Security Agent:

Morgan Guaranty

Monitoring Agent:

Morgan Bank (Delaware)

BEAR
STEARNS

All of these securities have been sold. This announcement appears as a matter of record only.
New Issues

General Electric Credit Corporation

(Incorporated in the State of New York, U.S.A.)
The foregoing Corporation is an affiliate of General Electric Company, U.S.A.

\$100,000,000

2,000,000

8 1/4% Notes Due 1990

Currency Exchange
Warrants™ (CEWs™)
Expiring June 15, 1992

Bear, Stearns & Co. Inc.

New York/Atlanta/Boston/Chicago/Dallas/Los Angeles/San Francisco
Amsterdam/Geneva/Hong Kong/London/Paris

June 1987

هذا من الأصل

This advertisement is issued in compliance with the Regulations of the Council of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited. It does not constitute or contain an offer or invitation to any person to subscribe for or purchase any securities of Compagnie de Saint-Gobain.



Saint-Gobain is one of the largest French industrial groups with principal activities concentrated into two areas: industrial activities, and contracting and services.

The issued ordinary shares of Saint-Gobain have been admitted to the Official List and it is expected that dealings will commence today.

ORDINARY SHARES	No of Shares	Ffm
Issued	44,020,358	4,402.0

Particulars relating to Saint-Gobain are available in the statistical service of Exel Statistical Services Limited. Copies of the Listing Particulars may be obtained during normal business hours (Saturdays and public holidays excepted) up to and including 6th July 1987 from the Company Announcements Office, The Stock Exchange, Throgmorton Street, London, EC2 and up to and including 16th July 1987 from:

Kleinwort Benson Limited
20 Fenchurch Street
London EC3P 3DB

Cazenove & Co
12 Tokenhouse Yard
London EC2R 7AN

2nd July 1987

INTERNATIONAL COMPANIES and FINANCE

Canberra blocks bid by ICI unit

BY CHRIS SHERWELL IN SYDNEY

TWO POTENTIALLY controversial government decisions have managed a hostile ASX212m (US\$152m) bid by ICI's 62 per cent-owned Australian subsidiary for F. H. Faulding, the Adelaide-based pharmaceutical group.

In a move with possible implications for foreign investment in Australia, Mr Paul Keating, the Federal Treasurer, has issued a restraining order through the Foreign Investment Review Board which freezes ICI's bid for a further 90 days. The formal reason is to give the government more time to consider whether to approve the bid.

However, the action has raised serious questions about the relaxation of foreign investment guidelines announced a year ago.

The second decision, involving the state government of

South Australia, focuses on the purchase on Tuesday of an 8 per cent block of shares in F. H. Faulding by the South Australian State Government Insurance Commission.

The ASX212m purchase was made at the market price of A\$5.60 per share, significantly higher than the ICI offer of A\$4.74, which itself represented a price-earnings ratio of some 27 times. The seller was a Swiss shareholder.

ICI directors are surprised and disappointed at the two decisions, and the group is now considering its position. Though its bid, announced last month, expires on July 16, it can be extended for up to five more months.

A rise option would be to buy Faulding shares on the market up to the permissible 15 per cent limit—ICI currently has only a 3 per cent share. But it is reluctant to pay more than

it has already offered. Alternatively, it could let the bid lapse. This would suit Faulding, which has rejected the bid and has evidently won support from the South Australian and even federal governments.

At the time of its bid, ICI said the two companies, with their complementary products and resources in the health care field, could expand more effectively at home and abroad.

Faulding rejected the bid, saying a takeover would jeopardise Faulding's relations with international partners which were ICI's competitors. It said the bid also neglected to take full account of Faulding's research and development work. Both points are disputed by ICI.

The delay by the Foreign Investment Review Board is ostensibly related to Mr Keating's pre-occupation with the

current election campaign. But it has not gone unnoticed that the board has made similar decisions recently without evident difficulty.

The wider question concerns foreign investment generally. The board's decision is thought to be the first of its type since last July's relaxation of investment guidelines.

This in effect gave automatic approval for foreign manufacturing investments, provided they were not against the national interest. Reckitt and Colman was one of the first British companies to benefit from the relaxation when it bought out its minority interests in Australia.

Previously, and controversially, there was an economic benefit test and a 50 per cent Australian equity requirement, and moves by British companies like Unilever and Cadbury Schweppes were rejected.

Pacific Dunlop wins Coats offshoot

By Our Sydney Correspondent

COATS VIVELLA, the large British textile and clothing group, has accepted a revised A\$243m (US\$175m) offer from Pacific Dunlop, the Australian conglomerate, for its 54.5 per cent-owned local subsidiary Bonds Coats Paton.

The decision has abruptly ended an interesting battle between Pacific Dunlop and a rival bid from a joint venture between Entrad and the Linter group, textile groups controlled by Mr Abe Goldberg and Mr Basil Sellers.

It followed an increase in Pacific Dunlop's offer from A\$237.5m to A\$243m, payable within five days and equivalent to 15.5 times 1986 earnings. It was accompanied with a higher 18-for-10 share exchange offer and an agreement to make the bid unconditional.

The acquisition widens further the spread of Pacific Dunlop's interests, which embrace surgical gloves, condoms, tyres, footwear, sportswear, long-life batteries and power and telecommunication cable.

The group's increased offer trumped an A\$220 bid from the Entrad-Linter partnership. The joint venture then raised its offer to A\$240, but Coats Vivella, keen to see the matter concluded, decided to forego the extra proceeds.

In a statement, Mr John Ashton, Coats Vivella's finance director, said that the rivals to Pacific Dunlop had not completed or registered their offer documentation, and that it would take time for this to be despatched and the cash to be received.

"We consider A\$225 to be a fair price," he said. "We also decided to accept the Pacific Dunlop offer to end the uncertainty that has been surrounding the future of Bonds Coats Paton for some weeks."

He added that Coats Vivella still hoped shareholders would ratify the sale of Bonds Coats Paton's thread and hand-knitting divisions to Coats Vivella. Pacific Dunlop had originally made this a condition of its bid.

MBF Holdings to diversify its activities

BY WONG SULONG IN KUALA LUMPUR

MBF HOLDINGS, the Malaysian finance and property group, is to acquire controlling stakes in three publicly listed companies through a share exchange offer.

It has entered agreements to take stakes of 31.4 per cent in Canda, the oil palm, property and hotel company, 31.7 per cent in Samanda, the adhesive and labels company, and 31 per cent interest in Duff, a plantation venture.

MBFH will issue a total of

87.15m new shares, priced at 10 cents each, for the respective stakes.

Dato Loy Hean Heong, MBFH's managing director and its biggest shareholder, said there would not be a similar offer to minority shareholders as the stakes did not exceed the 33 per cent trigger point.

He said the acquisitions would diversify MBFH's range of activities. If successful, the acquisitions would increase MBFH's paid-up capital from

183m to 270m shares of 50 cents each.

MBFH has also requisitioned an extraordinary general meeting of Emtext, the plantation and textile company, next Monday to put its nominees on the board. It is the biggest shareholder of Emtext with 21 per cent.

Dato Loy said if MBFH is successful in winning Emtext, the combined plantation interests under MBFH's control would be close to 50,000 acres.

He believed there was great potential in manufacturing in Malaysia, and MBFH wanted to move into this sector through Samanda, which is already a leader in its field.

Dato Loy played a vital role in establishing Canda and Samanda during the late 1960s, but relinquished his stakes a decade later to concentrate on MBFH.

Duff Plantations was formerly part of the Kuala Lumpur-Kepong group.

Buyer sought for Hibernia Bank

BY DAVID DODWELL IN HONG KONG

FIRST PACIFIC HOLDINGS, the Hong Kong-based financial services group controlled by the Liem family and associates in Indonesia, has mandated First Pacific to find a buyer for Hibernia Bank, a 35-branch bank in California which has been brought from losses to profitability in the five years since it was bought by First Pacific.

Mr Manuel Pangilinan, managing director of First Pacific, said yesterday that a short list of 20 possible buyers had been assembled, and he aimed for a deal within three months.

Disposal of Hibernia follows

the purchase in March this year of United Savings Bank in California for about US\$16m. United Savings Bank has 21 branches aimed at servicing California's Asian-American population, and specialising in mortgage banking.

Savings is to be expanded on the US West Coast, and possibly in Canada, Mr Pangilinan said.

Hibernia made a profit last year of \$11.7m, compared with losses of \$18m in 1982. Total assets amounted to \$1.5bn at the year end.

Mr Pangilinan said Hibernia faced direct competition from

big US banks, and would, as a relatively small bank, have better prospects if it were integrated into a larger institution.

Financial Corporation of America, the major Californian savings and loan concern, expects a second-quarter loss of between \$150m and \$200m as a result of a writedown of reserves for regulatory reasons, additions to the reserves for losses on loans and property, and higher interest rates, Renter adds.

In the year-earlier period, FCA reported earnings of \$11.6m, or 23 cents a share.

Maori development bank formed in New Zealand

BY DAI HAYWARD IN WELLINGTON

BRIERLEY INVESTMENTS, and Fletcher Challenge, two of New Zealand's largest companies, have joined the New Zealand government in setting up a Maori development bank. This will make advances and loans to Maori-owned enterprises and businesses.

The bank will have an initial paid up capital of NZ\$24m (US\$14.25m) and an authorised capital of NZ\$50m. The government has contributed NZ\$13m, Brierley and Fletcher NZ\$23m each, with the remaining NZ\$14m coming from the Maori Trustee—which looks after the interests of the Maori people.

The creation of the corporation, announced by Mr Roger Douglas, the Minister of Finance, yesterday, follows

three years of investigation into the viability of a Maori development bank.

It will be chaired by Mr Waair Ward-Holmes, a well-known Maori businessman, who is executive director of Progressive Enterprises, Brierley and Fletcher will each have a representative on the board.

The corporation is intended to help Maori-owned enterprises to develop and expand so that the Maori people can have a larger stake in the country's commercial activity. In addition to providing capital, the corporation will give financial and marketing advice.

Two of its first projects will be a cool store for Maori kiwifruit growers and a NZ\$500,000 investment in a goat farming operation.

Tisco pays same despite lower profits

By R. C. Murphy in Bombay

PROFITS of Tata Iron and Steel Company (Tisco), India's largest private sector company, fell by 15 per cent to \$2.2bn (\$3.5bn) in the year to March 1987 on a 10 per cent increase in sales to \$14.16bn.

Net profits (after depreciation and tax) declined by 18.7 per cent to \$2.75bn but the company has decided to maintain the dividend at 25 per cent. The stock market was pleasantly surprised at the working results and the \$100 share of Tisco, the market leader, gained more than \$5 to \$67.50. The market had expected a cut in dividend.

Mr Russi Mody, Tisco's chairman, says profits fell because steel prices, which are controlled by the government, have not been increased since February 1985 despite input costs having been steadily rising. However, Tisco has been trying to lift productivity and offset costs.

The company plans to produce 3m tonnes of steel this year against 1.8m tonnes last year. Tisco intends to add 1m tonnes of steel capacity with an investment of about \$10bn.

Republic New York Corporation

has acquired

The Williamsburgh Savings Bank

The undersigned acted as financial advisor to Republic New York Corporation

M. A. Schapiro & Co., Inc.

This announcement appears as a matter of record only.

New Issue



Trimac Limited

(Incorporated under the laws of the Province of Alberta, Canada)

Canadian \$30,000,000

7 3/4% Convertible Subordinated Debentures due June 16, 1997

Issue Price: 100%

Wood Gundy Inc.

Banque Paribas Capital Markets Limited

Dominion Securities Inc.

IMI Capital Markets (UK) Ltd.

The Nikko Securities Co., (Europe) Ltd.

N.M. Rothschild & Sons Limited

Salomon Brothers International Limited

Swiss Bank Corporation International Limited

June 1987

£75,000,000
Yorkshire International Finance B.V.
Guaranteed Floating Rate Notes due 1994
Guaranteed on an unsubordinated basis by



Yorkshire Bank PLC

In accordance with the provisions of the Notes, notice is hereby given that for the three month period 30 June 1987 to 30 September 1987 the Notes will carry an interest rate of 9 3/4% per annum with a coupon amount of £118.15 per £5,000 Note.

COUNTY NATWEST
Agent Bank

SECURITY PACIFIC CORPORATION
US\$100,000,000
Subordinated Floating Rate Notes due 1992

Notice is hereby given that for the interest period from July 2, 1987 to October 2, 1987 the Notes will carry an interest rate of 7 3/4% per annum. The coupon amount payable on October 2, 1987 will be US\$1,900.69 and US\$1,900.07 respectively for Notes in denominations of US\$100,000 and US\$10,000.

July 2, 1987
The Chase Manhattan Bank, N.A.
London, Agent Bank

CORPORATE FINANCE

The above Survey which was due to be published on the 23 July will now be published on Monday 27 July

For further information please contact:

David Reed
Financial Times
Bracken House
10 Cannon Street
London EC4A 3DF
Tel: 01-348 8004 ext 3461
Telex: 835033

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on 29.6.87 U.S. \$139.39

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V.,
Havengracht 214, 1016 BS Amsterdam.

AIBD BOND INDICES

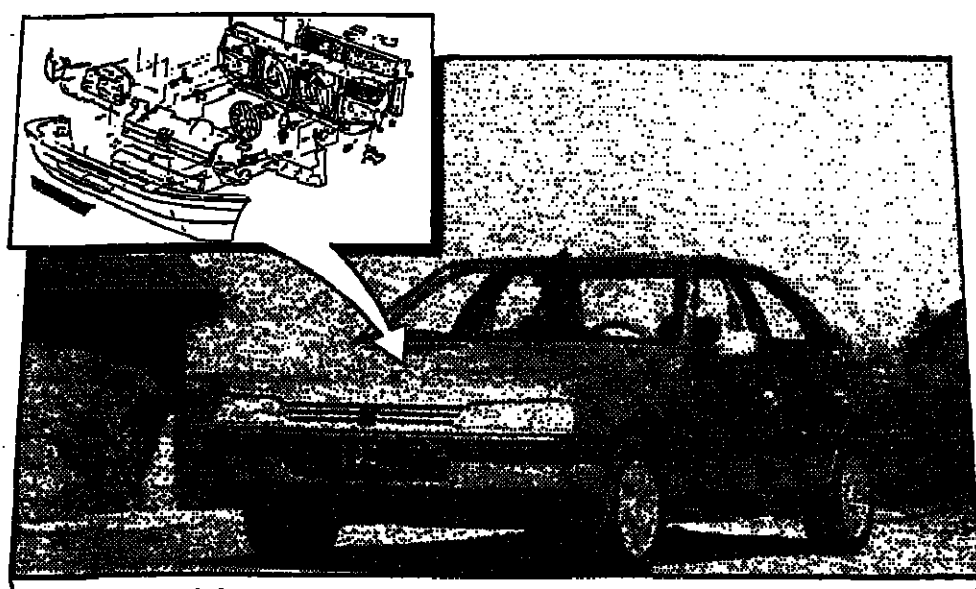
WEEKLY EUROBOND GUIDE JUNE 26, 1987

	Reception	Change	12 Months	12 Months
			High	Low
US Dollar	9.322	-0.567	9.702	8.440
Australian Dollar	13.956	0.187	14.735	13.114
Canadian Dollar	10.243	-1.149	10.776	9.372
Eurodollar	6.089	-0.766	6.250	5.804
Euro Currency Unit	8.453	0.113	9.041	8.219
Yen	5.858	0.688	6.530	5.218
Swedish	9.899	0.763	11.609	9.443
Deutschemark	5.971	0.471	6.638	5.890

Bank & Vantabel & Co Ltd, Zurich - Telex 812744 JYZ CH

Peugeot: The lion goes for plastic strength

Jane Rippeteau explains how the French car company is using new materials to simplify production and improve vehicle design



The 405's front-end sub-assembly contains some four dozen parts, and results in a big reduction in production times

MOTOR manufacturers, anxious to reduce the weight, cost and fuel consumption of their vehicles, have for a decade been gradually increasing the amount of plastic and composite materials used in cars. Today, the plastic content of a typical family saloon in Europe is about 10 per cent by weight, according to Alan D. Martin, an automobile industry consultant with Arthur D. Little in London.

Now, the Peugeot car group in France has taken the technology a step further. Its new 405 medium-sized saloon has a one-piece composite front end frame that provides two structural bulkheads and can accommodate some four dozen parts in a single sub-assembly, according to company executives.

Peugeot believes the unit will simplify production, improve quality control and reduce weight and drag—but not lower the price.

"A robot can pick up the

entire sub-assembly and place it on the front of a car. You have only to bolt it on," says Philippe Couvreur of Peugeot's Advanced Engineering Division. Adds Jean-Jacques Lanfranchini, chief of the Plastics Development Department: "There is a big reduction in time needed to mount parts on the assembly lines."

The sub-assembly is cast of a new material, a compression-moulded polyester, developed in collaboration with Inocar, a French moulding company located near Lyon. Inocar is the same company that several years ago produced the plastic bonnet for Peugeot's Citroën BX.

The new 405 material's dual attraction is that it is strong enough to perform as a structural bulkhead, while it can also be moulded into the desired shape to hold sockets for headlamps, the radiator, fans, air intakes, the horn, spoilers, grills, bumpers and other parts, says Couvreur.

The 405, sporting a well-received aerodynamic shape, is to go on sale before the end of this year, and is to gradually replace Peugeot's 305 model.

Plastic sub-assemblies have already been used for car dashboards and instrument panels. "The last five years has seen a big growth in the use of plastics in cars," says Martin of Arthur D. Little. He and others expect that an average car's plastic content, by weight, will rise to 15 to 20 per cent by 1995.

According to Martin, Peugeot's plastic front frame is an important advance because it is at least partly structural. "It's not unexpected, but it's the first time such a technique has been used," he says.

Most of the attention on the new weight-reducing plastics has focused on interior components, bumpers, and decorations. The use of high-strength plastic or composite body panels

to replace steel is not yet economically feasible, say industry executives.

Nor is it necessarily desirable, according to Oliver de Pous, who has just left the non-metallic materials group at Battelle-Europe to become manager of Advanced Materials Programmes at ENI, the Italian state energy company. "The full composite car is stupid," he says. "It would be too hard. There is no deformation on impact."

He says the point of composite materials is to add texture, to enhance mechanical strength and resistance to cracks. New work involves fibre reinforcement of metals, such as injecting liquid aluminium over beds of ceramic fibre needles to achieve a material "much harder to break," he says. Peugeot is a principal member of CARMAT 2000, a collaborative project between

Peugeot, Saint-Gobain, Bayer, BASF, ICI and others, to develop new car materials. It also spends a large part of its research budget on electrical systems and electronics for cars. And it recently invested in a Cray supercomputer—a powerful machine usually associated with the number crunching needed to forecast weather—to run calculations on crash impacts and performance of combustion chambers. The Cray speeds calculation time by a factor of 10, according to Lanfranchini.

Anybody hoping that all this will lead to lower car prices will be disappointed though, says Jacques Fleury, executive director of the Peugeot Automotive Division. "The price of the car will stay more or less along the same line," he says. "But the manufacturer will be able to offer a better product."

Why the US should tackle today its crisis of tomorrow

Robert Merges looks at problems facing America's biotechnology industry

THE US semiconductor industry is in such a sad shape that many observers believe only the Government can save it, either through direct (defence) subsidies or by waiving antitrust enforcement via approval of the Sematech proposal, which would unite the industry in a huge joint research and development effort. Among the reasons for the crisis, it is suggested, are aggressive "Japanese pricing strategies" ("dumping" according to some US companies); superior institutional co-ordination between the Government and private firms in Japan; and flat out superiority in semiconductor manufacturing technology.

It may or may not be too late for US chip manufacturers. But what lessons does the semiconductor story hold for the future of other industries based on key new technologies, like biotechnology?

Biotechnology might seem like a completely different business, and it is in many ways. However, there are important parallels which bear examination. First, biotechnology is like the semiconductor industry in that US companies are proving to be the new product innovators, just like Bell Labs and Texas Instruments in the early days of semiconductors.

US manufacturers are churning out new products, ranging from pharmaceuticals to re-engineered seeds for staple crops. This is of course essential; you cannot have an industry without products. But while new-product research has grown strongly in the 1980s, according to a recent article in BioEngineering News, research and development spending on new process technologies has increased at a much slower rate.

Meanwhile, the Japanese, already among the world leaders in the closely-related field of fermentation technology, are characteristically placing a good deal of emphasis on process technologies, just as the Japanese semiconductor firms did in the 1970s.

Observers report that although US companies hold a big lead in basic science and new products, Japanese companies are ahead in applying new "bioprocess" techniques to

a wide range of manufacturing tasks in the chemical, food processing, and waste processing industries. As with semiconductors, the Ministry of International Trade (MITI) has actively encouraged companies to develop expertise in process technologies. (There are some indications, however, that the diffuse nature of the biotechnology "industry" actually a collection of technologies—poses a more daunting challenge to MITI than semiconductors did.)

The parallels are not coincidental, of course. They reflect the basic (and highly successful)

Whatever form a bioprocess initiative takes, the message of the semiconductor debacle must be kept clearly in mind

ful) strategy of MITI and Japanese companies in technology-intensive industries—focus on manufacturing and process technologies.

Seeking to avoid a replay of the semiconductor situation, it might be asked, "how does the strategy of the US Government and private companies compare?"

The answer at this point would have to be "not very well."

In the US, the infant bioprocessing industry has shown mixed results so far. Some small companies have faced major difficulty adapting existing technologies to the exceedingly complex task of growing large numbers of cells in controlled culture environments. Others have done better, and a certain amount of venture money has found its way into the smaller businesses. Large companies like Genentech reportedly have made some advances in the process area, but their in-house advances by large firms will be unavailable to new entrants with promising product ideas in the absence of licensing agreements with the larger companies.

And overall, the level of venture capital funding for process technologies is quite low relative to that for new products.

The uncertainty and long-term nature of new process technologies appears to deter private investment. Unfortunately, federal funding—the typical solution to this form of "market failure"—is also inadequate. This is because the National Institutes of Health, the major source of research funds in biotechnology, is primarily concerned with the basic science that leads to new drugs and therapies. Manufacturing technologies were not even considered relevant to the NIH's work until the recent initiation of the Small Business Innovation Research Grant Programme, which sets aside five per cent of NIH funds for commercialisation projects.

In any event, the SBIR programme seems too small, and too unrelated to NIH's primary goals and expertise, to provide the high degree of stimulation and co-ordination that bioprocess research requires. A more specific, well-organised, and better funded initiative seems imperative if the US is to avoid the mistakes made in semiconductors.

It does not really matter which federal agency serves this function. The Department of Energy, with its long history of expertise in chemical engineering, is one possibility, as are the National Laboratories like the Lawrence Berkeley Laboratory.

Universities can help, too. But first, the age-old barriers between engineering departments and biology and chemistry departments must be broken, for example by the establishment of a cross-disciplinary major in biochemical engineering.

Whatever form the bioprocess initiative takes, the message of the semiconductor debacle must be kept clearly in mind. If no action is taken, Americans may well be wringing their hands in a few years, trying to figure out how to salvage another key industry, born and nurtured in the US, but lost to countries which had the foresight to focus on manufacturing processes.

Robert Merges is the Julius Silver Fellow in Law, Science and Technology at Columbia Law School.

WORTH WATCHING

Edited by Geoffrey Charlish

Scaling down how to size someone up

A GOOD way for electronic systems to check a person's identity is to examine a fingerprint and compare it with a stored memory.

Systems to do this tend to be bulky and expensive, but recently Edinburgh University developed a unit of a few cubic inches that might be used, for example, as an access device for car doors or as an identity check at a bank cash terminal.

Now the De La Rue Company, which is already a leader in large fingerprint matching systems for police work, has paid £500,000 for

exclusive commercial development rights.

The Edinburgh work was originally financed by the Quantum Fund, which was founded in 1983 by investors in industry, the British Linen Bank and Edinburgh University. The fund is providing a further £300,000 to enable the university to proceed to the full-scale demonstrator stage.

US visionaries go by the book

THE AUTOMATED Vision Association of Ann Arbor, Michigan, in the US, has published its first machine vision

product buyer's guide. More than 100 leading companies in the field and their products are detailed in the 250-page book, which costs \$25 in the US (\$20 for AVA members), plus \$3 for postage and handling.

Ferranti link for UK VATmen

IN THE UK, Ferranti is supplying a system which will link 168 regional HM Customs and Excise VAT offices throughout the country. Using over 300 terminals, customs officers will be able to pass information quickly from one part of Britain to

another. The system will conform to OSI (open systems interconnect) standards.

Quest for power in the desert sun

A DM 39.2m (\$21m) West German-Saudi project, Hysolar, contemplates covering large areas of desert with solar cells, the electricity from which will dissociate water and produce hydrogen. Unlike petrol, the hydrogen, used in vehicles, produces no pollutants—only water.

CONTACTS: Edinburgh University: 01 557 1071. Automated Vision Association: US, (313) 554 6088. Ferranti Computer Systems: 061 499 3365.

A single ant, no matter how industrious, is a puny, insignificant creature. It is also a member of the most successful species on the planet. Which just shows where a bit of hard work gets you.

Hard work isn't enough on its own, of course. It's got to be organised, directed towards a common goal. And that's where, by considering the ways of the ant, the world's second most successful species could learn a thing or two.

All of us could better organise the way we work. There's always someone with their feet up while someone else is rushed off their feet. We duplicate jobs. Resources are either booked solid or standing idle. Ants would never be so inefficient.

A tip from the world's most successful organisation.

For we humans, Uniplex is the answer. It's the most advanced, most powerful office management system there is. In one self-sufficient package, Uniplex provides not only the means for you and everyone else in your office to do your jobs more easily but a way to make the whole office more efficient.

discipline software. Uniplex is easier to learn and use, and because it runs on a highly flexible operating system called UNIX* you don't lose your investment in software and training when it's time to upgrade your computer hardware.

There's a Uniplex demonstration pack just a phone call away, on 01-348 1212. It'll show you how Uniplex can help you and your company get to the top of the heap.

All we ask is that you don't let the ants see it.

UNIPLEX

When Uniplex runs the office, everyone manages better.

UNIPLEX is a trademark of Redwood International Limited. UNIX is a trademark of AT&T Bell Laboratories. Redwood International Limited, Chichester House, 4-6 Upper Marlborough Road, St Albans, Herts AL1 3UR.

UK COMPANY NEWS

ANGLO LEASING FLOTATION PLANS WELL ADVANCED

Dealing profits boost J. Rothschild

BY TERRY POVEY

J. Rothschild (Holdings), investment holding company, yesterday announced pre-tax profits of £100.9m for the year to the end of March 1987 thanks primarily to a two-thirds rise in dealing profits.

Plans to list the investment group's Anglo Leasing subsidiary are now advanced and Rothschild expects to send out a flotation prospectus with its report and accounts at the end of July. The proposal is for 25 per cent of Anglo, a leading office equipment leasing company, to be sold with existing Rothschild shareholders being given first option on most of the issue.

Anglo is in Rothschild's books with a net asset value of £23.2m. The flotation could see it valued at some £50m, a boost to the group's net worth and cash resources.

By the end of March, the group's net worth had risen more than 10 per cent to £667m.



Jacob Rothschild, chairman of J. Rothschild

or 205p a share on capital reduced by 46m shares to 325.24m shares during the year as a result of Rothschild's buy-

in policy. Since the year-end another 12m shares have been bought in.

Dealing profits on short-term investments were up £43.4m at £109.1m before central costs and interest. Investment holding profits (gains on longer term investments) slipped £1m to £26.3m while the return from fund management and financial services almost doubled to £7.5m (£4.3m).

At the interim announcement in December, Rothschild said that it was intending to run down its investment dealing portfolio by taking profits. However, a change of heart towards a more bullish view on equities led to this stance being reversed and at the year end unrealised gains on this account totalled £105.4 before tax, compared with £98m in March 1986 and £36.3m in September.

Unrealised gains on the investment holding portfolio, which are treated as a reserves

adjustment, totalled £54m after tax while there were realised gains, taken through the profit and loss account as an after-tax item, of £35.4m.

After £6.5m (£9.1m) of central costs and £26.8m (£34.3m) of interest paid, pre-tax profits were ahead by £20.4m from the previous year's £80.4m. Taxes paid totalled £33.1m (£25.5m). After the realised investment holding gains and £700,000 extraordinary debit, the profit for the financial year is reported as £100.9m (£109.7m). The previous year's figure was swelled by the £23.2m proceeds from the sale of L. F. Rothschild Inc.

Net earnings per share on the year-end capital were 20.5p (14.5p) before the after-tax profit realisation, or 30.5p (28.6p) including this item. A final dividend of 3.5p is proposed, making 6p (5p) for the year.

See Lex

Wrexham Water in £2.5m tender

By Richard Tomkins

The Wrexham and East Denbighshire Water Company is today making a tender offer of £2.5m worth of 7½ per cent redeemable preference stock 1996-98 at a minimum price of £100 per £100 worth of stock. Stockbroker to the issue is Seymour Pierce.

The company supplies water to a population of 145,000 in the counties of Chester and Clwyd under an arrangement with the Welsh Water Authority. It is making the issue to finance the redemption of £2m worth of 9 per cent redeemable preference stock 1987-89, with the balance going towards the company's capital spending programme.

The gross yield of the new issue is 9.76 per cent compared with about 9.3 per cent for the nearest equivalent Treasury stock.

Seymour Pierce said it expected the issue to appeal mostly to institutional investors using franked income, for whom the yield at the minimum tender price would be nearly 11 per cent. The firm emphasised that there would be no striking price in the offer: successful applications would be accepted at the price tendered.

LIG sale

LONDON INTERNATIONAL GROUP, consumer products and services group, has sold its subsidiary Beechwood Brushes to Ralson Group, paint manufacturer, for around £550,000.

Reed Executive soars to £6.5m

Reed Executive, the employment agency group, more than doubled its pre-tax profits from £2.98m to £6.52m in the year to March 31, 1987.

The latest results include those of Reed Executive, Reed Employment, together with those of Reed Executive (Holdings). The corresponding figures for 1986 include the results of Reed Executive and Reed Employment but do not include the results of Reed Executive which was sold last August to Dee Corporation.

Turnover last year rose 48 per cent to £83.61m (£42.96m); operating profit was £5.59m (£3.09m) while interest payable amounted to £78,000 (£113,000).

Reed has confirmed the buoyant trend in the employment sector signalled by the recent results of Hestair and Blue Arrow by outperforming its March profit forecast. The new emphasis on marketing and advertising—as evidenced by the “freedom”

Taxation took £251m (£1.28m), leaving attributable profits of £4.01m (£1.7m). There was an extraordinary item of £1.45m (£0.1m) relating to the Medicare sale. Earnings per 10p share worked through at 38.2p (16.2p).

The dividend is raised from 4.5p to 6p per share with a proposed final payment of 4p (3p).

Reed has confirmed the buoyant trend in the employment sector signalled by the recent results of Hestair and Blue Arrow by outperforming its March profit forecast. The new emphasis on marketing and advertising—as evidenced by the “freedom”

campaign—has given Reed a far higher profile and brought more job seekers through its doors. With the sale of Medicare behind him—and £4m in the bank—chairman Alec Reed has plenty of freedom to continue the upward trend. Another doubling of profits may be stretching things a bit but foreign exchange for this year could well prove conservative. With a 38 per cent tax charge that suggests earnings of 54p and a prospective p/e of around 17—a stable discount to Blue Arrow. The shares up 70p at 945p, are therefore an attractive prospect in a booming sector.

Berry cuts stake in GT Management

BY NIKKI TAIT

Berry Trust, investment trust, has cut its holding in GT Management, the financial services group which manages its portfolio, from 12 per cent to 9 per cent by selling 4.62m shares, realising about

£12.7m. The shares went to a number of institutions, not previously holders in GT. Berry does not intend at present to sell its remaining GT shares. Berry originally had a larger

stake in GT but more than halved this when GT went public a year ago. The remaining GT/Berry cross-shareholdings were highlighted when Equity Trust, an investment trust controlled by the Merchant Navy pension funds, bid for Berry.

A GT-led consortium party came to the rescue of Berry, acquiring a 27 per cent stake, and the Ensign bid subsequently failed. Yesterday, GT denied that the disposal was a hang-over from that furore. “The furore has all gone away,” it commented.

The proceeds from what has traditionally been Berry's largest single holding will be reinvested in line with existing policy, say the fund managers. Yesterday Berry shares added 6p to 385p while GT gained 2p to 285p.

McAlpine sale

Alfred McAlpine, the engineering, mining, and property developing group, yesterday announced the £4.2m sale of its motor distribution company to J. Lyons.

The motor distribution operation is to be shifted on to Normand, the motor distribution subsidiary of J. Lyons. Proceeds from the disposal are to be reinvested in McAlpine's core business areas.

J. Jarvis

Brookville Securities has indicated it offers document relating to its £7.5m bid for J. Jarvis & Sons, the building company. Brookville, which is wholly-owned by Mr Harvey Bard, a London property investor, is offering £7.50 in cash for each ordinary share other than the 29.99 per cent it already owns.

Mr Bard says he intends to continue Jarvis's business but alter the balance towards its own developments, rather than those carried out with third parties.

He also wants to keep the company's listing and accordingly Brookville will retain just 50.1 per cent of the equity, placing the rest at the offer price.

Publishing makes two acquisitions

Publishing Holdings, which is listed on the third market, yesterday announced two acquisitions that will take it further down the road towards being a full service media marketing group. The total of £250,000, PH has acquired The Creative Service, a creative and design company, and The Media Service, a planning and buying organisation.

DIVIDENDS ANNOUNCED

	Current payment	Date	Corres. Total	Total
			payment	div year year
Courts (Furnishers)	3.15	—	2.95	4.8
Equity Consort Invest	10.04	—	8.7	14.3
Ferranti	1.24	Sept 28	1.15	1.94
Kielswi Benit CF 1 div	2.49	—	82.2	2
GF Lovell	2	—	3.5	2
Reed Executive	4	Oct 12	3	6
J. Rothschild	3.5	Aug 24	2.8	6
Thornthorn Ltd	2.75	Aug 27	2.75	—
				9.6

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$ stock. § Unquoted stock. † Third market. ‡ Gross throughout.

Investors plan to oppose bid for Contibel

By Lucy Kellaway

Disenchanted institutional investors in Contibel, part of the old Imperial Continental Gas group, are preparing for a rough fight against the recommended £55m bid for the company by two large Belgian companies.

A group of investors led by Provident Mutual is drawing up a formal proposal, to be put before the Contibel board next week, which would provide for the injection of new blood into the company and bring about more active management of its portfolio of Belgian assets.

The date for acceptance of the bid by Tricatel and Groupe Bruxelles Lambert is expected to pass today with few — if any — additional takers, forcing the bid-drops to increase their offer if they are to gain control of the group. Since the bid was launched, the shares have consistently traded above the 275p offer price, as shareholders have argued that the price was too low. Yesterday Contibel shares closed unchanged at 295p.

Mr Ed Challen of Provident Mutual, who claimed to speak for about 25 per cent of Contibel investors, said yesterday the aim of the proposal was to induce the Belgians to offer a much higher price than the 275p now on the table, or to secure a better future for the company should the Belgians decide not to improve their bid.

He said that under the proposals the company's portfolio, which had hitherto been passively managed, would be reconstructed to improve its performance and to make Contibel “a bit more of a with-it company.”

Mr Brian Wilmet, finance director of Contibel said yesterday that he had seen the proposal and that it contained “some constructive suggestions.” He said that the board, which meets early next week, would discuss any formal proposal made.

However, he said the board had no plans at present to withdraw its support for the bid—despite the fact that it has been given the thumbs down by the majority of the company's shareholders.

The first date passed two weeks ago with only 7 per cent of investors accepting the offer.

I B Holdings disposes of Epicure stake

By Steven Butler

Epicure Holdings, construction services and precision engineering group, yesterday reported that I B Holdings (formerly Inverclyde) had disposed of its entire 7.5m share stake (17.3 per cent) in Epicure for £1.14m.

The shares, which were sold at 42p each, were placed by Grenfell and Colegrave and P. E. H. Ltd. The shares yesterday closed up 2p at 461p.

Mr Alex Sitwell, of PK English Trust, said the share placing served to broaden institutional holding in the company, which previously was minimal. Epicure shares staged a strong recovery earlier this year, and the company returned to the dividend list with results announced in late April.

I B Holdings sold its entire stake in Epicure for £1.14m.

The delay has been caused because of the need to finalise a repayment to the group following the disposal of its subsidiary, Tribune Fast Forward, agreed to by Tribune to Decca Stern Centat, a private company, in January for around £2m.

DIVIDENDS ANNOUNCED

	Current payment	Date	Corres. Total	Total
			payment	div year year
Courts (Furnishers)	3.15	—	2.95	4.8
Equity Consort Invest	10.04	—	8.7	14.3
Ferranti	1.24	Sept 28	1.15	1.94
Kielswi Benit CF 1 div	2.49	—	82.2	2
GF Lovell	2	—	3.5	2
Reed Executive	4	Oct 12	3	6
J. Rothschild	3.5	Aug 24	2.8	6
Thornthorn Ltd	2.75	Aug 27	2.75	—
				9.6

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$ stock. § Unquoted stock. † Third market. ‡ Gross throughout.

All-round growth helps Ferranti rise by 22%

BY STEVEN BUTLER

Ferranti, defence electronics group, has reported pre-tax profits of £50.2m in the year to the end of March 1987, a 22 per cent increase. Turnover rose from £596.5m to £628.7m.

The results were better than analysts' forecasts, and Ferranti shares yesterday advanced 6p to close at 139p.

Improvements showed across the board, with the exception of electronics, and growth was strongest in Europe and the UK. Excluding electronics, pre-tax profits grew by 26 per cent, and Ferranti says that it expects a stronger year ahead.

In the areas where we had the most difficulties, indicators look considerably better,” said Mr Alan Shepherd, deputy managing director.

Earnings per share rose 18 per cent to 78p, while a final dividend of 1.94p (1.7p) is being paid with a proposed final of 1.34p (1.15p).

Ferranti's main business areas of defence and computer systems both moved ahead. Turnover in the defence area grew 8.4 per cent to £202.1m, while profits of £25.5m were a 16 per cent improvement.

Sales of computer systems increased to £243.9m (£228.0m), and profits rose to £21.0m (£18.1m). Margins improved to 8.8 per cent for the group as a whole, close to the group's historical average, and up from 8 per cent last year.

Sales in the electronics division, which is dominated by semiconductors, fell by £3.2m to £66.2m, while profits declined from £3.7m to £300,000. This was attributed to difficulties in the US market. An operating loss of £0.75m in the first half of the year was turned around to a £1m profit in the second half.

The industrial electronics division was hit by sluggishness in the offshore oil business. Operating profits still rose to £2m (£1.1m) on a reduced turnover of £20.1m (£17.4m).

Turnover in the instrumentation division grew to £68.4m (£53.2m), while operating profits rose 83 per cent to £3.5m. Investments in previous years would leave Ferranti able to reap the benefits over the next two years with considerably less new investments, the company

said. Group research and development expenditure was about £40m, or 6.3 per cent of turnover, and would be maintained at this level. Capital spending had fallen to £37.2m (£41m), with the reduced capital allowances curbing the tax charge to rise to 35 per cent of ordinary profits, or £17.8m.

Mr Derek Alun-Jones, managing director, said Ferranti would concentrate growth efforts on expanding market share internationally and in the UK, where it has about 2.5 per cent of the Ministry of Defence equipment procurement budget. About 60 per cent of turnover is in the UK.

“Our basic strategy as a company is to move forward organically,” said Mr Alun-Jones. “We don't feel we need anything else which could lead to it being taken over.”

He said that Ferranti was steering investment toward the civil side of the business, but that growth had not kept up with the military side due to the rapid rise of defence procurement.

See Lex

Christies sells its 35% stake in CCA Galleries

BY NIKKI TAIT

Christies International, the auctioneer, yesterday announced that it had sold its 34.9 per cent holding in CCA Galleries, formerly Christie's Contemporary Art and a retailer of prints, paintings, and sculptures, to four separate investors.

The largest holdings in CCA will now belong to Mr Paul Dupes junior, a UK-based American with a background in financial services, and to a record company called Comiser, chaired by Mr E. C. Dehner. Both will have stakes of 13.7 per cent. Mr Dupes recently acquired a 20.17 per cent holding in the Bahrain Middle East Bank and the J. O. Hambro Group.

The final 1.8 per cent will be held by Mr Peter Blom, who runs a textile company under the same name.

Christies said it had sold to individual investors, rather than via a general market placing, because it believed USM-traded CCA could continue to benefit from outside advice.

The new investors were seen in consultation with CCA and the three individuals—all of whom have some knowledge of the art world, according to CCA—have been offered non-executive board posts.

Christies refused to disclose the price at which its stake changed hands. However, CCA shares, which were suspended on Monday at 100p, jumped 46p to 152p as trading resumed.

Christies reduced its holding in CCA from 35 per cent to 35 per cent when the company came to the market at 80p two years ago, via a placing of just over £10m. The ultimate sale of the holding was envisaged then, said the auction house yesterday, although it agreed to hang on to its stake for two years.

Laidlaw Thomson £2m rights

Laidlaw Thomson Group, architectural ironmonger, yesterday announced a rights issue to raise £2.04m net to repay debt and finance working capital.

The issue, on the basis of two for seven at 140p, is up to 1.52m shares and has been underwritten by County NatWest. Brokers to the issue are County NatWest Securities.

The directors said that the funds would initially be used to reduce group borrowings, and, having broadened the

equity base, would leave the company in a strong position to take advantage of opportunities to expand the business.

The USM group's management accounts for the year ending to the end of May showed an increase in turnover of 18 per cent, compared with last year. The directors with confidence and expect to recommend a total dividend for 1987 of not less than 4.63p (4.5p).

F. H. Lloyd in takeover talks

F. H. Lloyd, the foundry and engineering group headed by company director Lewis Robertson, yesterday disclosed that it was in talks which could lead to it being taken over.

The board indicated that any offer would be at or around the yesterday's opening share price of 105p, valuing the group at about £25m. The shares closed at 116p.

When Lloyd published results for the six months to last September 21, pre-tax profits were up from £802,000 to £827,000. Preliminary figures due to be announced today, however, are expected to show that pre-tax profits have declined sharply from the £2.14m of 1986-87.

One reason for the likely downturn has been the fall in demand nationally for steel foundry products. Of Lloyd's three divisions, foundries was the biggest profit maker in the first half, making £654,000 at the operating level.

The other two divisions — steel, and engineering and services — contributed £281,000 and £135,000.

Analysts were speculating that the potential predator could be interested in the company's property.

Lloyd has recently demolished foundries at Wednesbury, on the junction of the M5 and M6, and the site could be redeveloped.

Another attraction is the steel division's rolling mill which is expected to have a considerable effect on the division's profits in the current year.

GMAC, Australia (Finance) Limited

(Incorporated in the Commonwealth of Australia)

A\$ 50,000,000

14% Notes due 16th July, 1990

guaranteed as to payment of principal and interest by

General Motors Acceptance Corporation

(Incorporated in the State of New York)

Issue Price 101½ per cent. and accrued interest, if any

The following have agreed to subscribe for the Notes:

Deutsche Bank Capital Markets	
Baden-Württembergische Bank	Bank Brussel Lambert N.V.
Barque Générale du Luxembourg S.A.	Bayerische Hypothek- und Wechselbank
Chemical Bank International	Commonwealth Bank of Australia
Coöperatieve Centrale	Credit Lyonnais
Farmisano-Spaarbank B.A.	Genossenschaftliche Zentralbank
DSB Bank	HSJ International
Hessische Landesbank - Girozentrale	McLeod Young Wair International
Kreditbank N.V.	Morgan Stanley International
Merrill Lynch International & Co.	Orion Royal Bank
Norddeutsche Landesbank	Verdine- und Westbank
Girozentrale	Westpac Banking Corporation
Tokai International	Wood Gundy Inc.
Westdeutsche Landesbank	
Girozentrale	

Application has been made for the Notes constituting the above issue, in bearer form by the depositories of the United Kingdom and the Republic of Ireland Limited, subject only to the usual conditions of the United Kingdom and the Republic of Ireland Limited, and the first payment being made on 16th July, 1987.

The Securities referred to above have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories or its possessions or to United States persons.

2nd July, 1987



HACHETTE S.A. GENERAL ASSEMBLY OF SHAREHOLDERS

JUNE 18, 1987

CHAIRMAN'S ADDRESS

1986 has been a year of achievement for Hachette in three respects. First, the Group's trading results reached a record level, amounting to FF 215.7 million, prior to appreciation and depreciation, and to FF 205.8 million following adjustment. These results were achieved notwithstanding the very high level of investment over this trading period, in particular the acquisition of a majority shareholding in Europe 1 Communication as well as numerous developments and acquisitions abroad.

Secondly, the share of foreign sales rose by 32.2% on the previous year, bringing this to 35.2% of total Group turnover. Penetration of “Elle” in the United States, acquisition of Curtis, second-largest American news magazine distributors, and jointly with the Groupe Bruxelles-Lambert — taking control of and revitalising the Belgian company Editions Dupuis, Europe's leading publishers of comic strip books: these were the most distinguished milestones in the development of our international activities during 1986.

Thirdly, 1986 saw Hachette become a fully-fledged, audio-visual group. Although the most obvious manifestation of this has been the takeover of Europe 1, one should also draw attention to the success of major television series produced by Télé-Hachette, as well as motion pictures from Hachette Première, some of which received awards in the United States and at the Cannes Film Festival. In total, audio-visual business accounted for a sales figure of FF 1.5 billion in 1986, just over 10% of consolidated Group turnover.

These impressive achievements, however, should not distract from our successes in more traditional fields of activity, such as book publishing which enjoys its usual harvest of literary prizes, or the Hachette Education operation in making remarkable advances in its market sector, or Télé 7 Jours, “Première,” and “Le Journal du Dimanche” breaking new circulation records.

Such flourishing results testify to the dynamism of a Group at the top of its form in all its spheres of activity. Already, 1987 promises to be a year for breaking new records both in France and abroad, and in both trading results and profits.

One cannot refer to the beginning of 1987 without mentioning the competition surrounding the privatisation of RFL. Only the future and the emergence of results will tell who was right — those who were disappointed, or those who were relieved to see us avoiding an onerous, costly and risky undertaking. Nevertheless, we feel that nothing these days is permanently fixed on the French or European audio-visual scene, and that Hachette will unquestionably be playing a major role in this area in the near future.

Above and beyond this venture, there still persists our multi-media strategy with an eye to the 21st century; a strategy of investment in books, the press and the audio-visual field; a strategy of participation in every facet of the culture of our time. We remain market leaders in France and are now determined to become the market leaders in Europe.

Bearing in mind this new phase into which we are entering, implying as it does tough competition, and where the front-line troops will perhaps be under greater fire, I have developed an intensified and streamlined company structure which is already operational. The authority and responsibility of the Operational Groups will be increased, at the same time as reinforcing and strengthening the presence of Group General Management. Every individual in his or her field of activity, whether it be in books or the press, in audio-visual or distribution activities, will contribute to the development of the Group in France and throughout the world by cultivating at the same time that indispensable element which is their human capital, and by giving priority to their creative abilities.

Jean-Luc LAGARDÈRE

The ordinary general meeting decided to issue a dividend of FF 24.50 for the 1986 fiscal period

Creditanstalt announces a U.S. Treasury index fund with a \$1,000,000 minimum investment. Here's why it's worth it.

Since its inception in 1980, the Ryan Index has produced a total return of 156.6%. That's an increased return of 31.4% over LIBOR... 211 basis points annualized... and a performance worthy of any portfolio manager's attention.

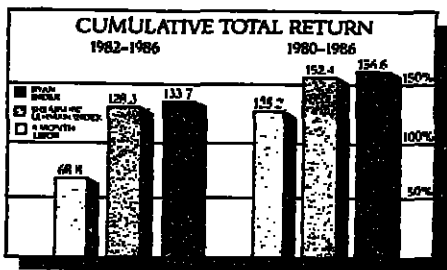
Now you can participate, through the Creditanstalt Ryan Index U.S. Treasury Fund. The Fund is a structured portfolio made up of the same U.S. Treasury securities that the Ryan Index tracks.

Of course, it takes a minimum investment of \$1 million. But then, this is definitely a one in a million opportunity. For more information, call: 01-822 2600, or Vienna: 0222-66 22-0 (extension 2541).



**CREDITANSTALT
RYAN INDEX
U.S. TREASURY FUND**

This advertisement is placed by Creditanstalt, London, on behalf of the Creditanstalt Ryan Index U.S. Treasury Fund, Ltd.



UK COMPANY NEWS

Kwik Save shareholders tender for 48% of offer

ALMOST half the shares of Kwik Save, the discount food retailer, have been tendered in the £147m partial offer made by Dairy Farm International, the Hong Kong-based food retailing, manufacturing and wholesaling group.

The £50p-a-share offer, which closed on Tuesday, attracted acceptances from holders of 47.7 per cent of Kwik Save's equity, or 72.5m shares. Since Dairy Farm was only aiming to boost its existing 34.7 per cent stake to 25 per cent so offering to buy up to 32.58m shares — applications to sell will be scaled down pro rata.

Yesterday, Kwik Save shares added 5p to 41p. In Hong Kong, Mr Owen Price, managing director of Dairy Farm, signalled that the company would now like to play an influential role at the UK group. "We would hope that by strong representation on the board, and by exchanging views, we can bring benefits to the group," he said.

And he added, with a hint of irony, "As a 25 per cent shareholder, the board might just be interested in what we

have to say." However, he challenged claims that the Kwik Save board's attitude was hostile. "The board didn't expect an approach and naturally in the first instance it was reserved," and stressed Dairy Farm's continued conciliatory approach. "Kwik Save has a good management team and a niche in the market, and it would be a big mistake for us to go in and change a pretty successful operation."

Kwik Save itself—which had opposed the tender—made no comment on the outcome, beyond reassuring shareholders and employees that they "had every reason to feel confident about the group's future."

A board meeting has already been scheduled for next week, and Mr William Fosterwaite, Kwik Save's managing director, added that the UK company would be seeing its new shareholder "in the near future"—probably after that meeting.

Successful partial tenders have been rare in London. Yesterday advisers said that the pricing of the offer had been "knife-edge", but rejected sug-

gestions that the stake could have been achieved at a significantly lower price. The £50p offer put Kwik Save on a prospective PE of around 22, and compared with a price of 270p in mid-April, before the shares enjoyed a strong run, partly on bid speculation.

The offer's success, suggested advisers yesterday, may have been helped by the flat performance of the stockmarket over the offer period, and by the fall in retail shares generally, following publication of Argyl's results last week and news of its treatment of post-acquisition reorganisation costs.

A number of institutions are believed to have offered part of their holdings in Kwik Save—a stock which is predominantly institutionally held. As a belief grew that the tender would be oversubscribed, and therefore scaled down, the level of applications may have increased.

However, applications from some smaller investors may also have been held up in the central London postal dispute, which has disrupted City mail.

Spectrum cuts loss to £0.3m

SPECTRUM GROUP, Hertfordshire-based distributor of computer equipment, cut its pre-tax losses from £58,000 to £26,000 in the six months to December 31 1986. Turnover was considerably lower at £2.92m compared with £10.46m.

The directors said a complete new range of computer business computers under the company's SBC label had recently been launched and they had helped to improve margins and market penetration. The initial reaction to the new SBC had been most favourable.

That had augured well and confirmed the board's decision to concentrate on these products. Other new products were already planned, and expansion in these areas would bring the company's turnaround to a satisfactory trading position in the future, they said.

Turnover in the opening half included only the sales for the new business computer division, plus the specialist retail press and the own-label photographic divisions.

Gross margins continued to improve as a result of the own-brand product. The volume of this was severely restricted in the early months of the period, during which temporary financing facilities were arranged by an agreement with a subsidiary of Coutinho Caro.

The pre-tax loss was after setting, distribution, administration costs and interest totalling £248,000 (£2.02m). No tax was again payable, to £122,000 (£1.02m). Losses per share of this USM company were 2.7p (4.8p) before extraordinary items.

United Scientific acquires Invertron for £4.3m

BY DAVID WALLER

United Scientific Holdings, the defence contractor, took its first step towards developing a "third arm" to complement its existing activities yesterday, when it paid £4.3m to acquire Invertron, a private company supplying military simulation and training systems.

The market took the acquisition as evidence of USH's continuing recovery since it revealed losses of £968,000 in the first half of its last financial year. The shares were marked up 11p to close at 275p, against a 1987 low of 165p.

Founded in 1967, Invertron made pre-tax profits of £365,000 on turnover of £3.5m in 1986. Its net tangible assets were £1.45m at the end of the year, and its order book currently stands at £15m.

This compares with USH's profits of £3.3m on £118m turnover in the year to the end of March.

"Simulation is a growth area of defence expenditure," said Mr David Fraser, USH chief executive. "Invertron creates a platform for the development of a third business in this area, and will complement our existing activities in electro-optics and vehicles."

"It is our long-term goal to derive £100m of turnover from this new area of business. Clearly, this will require further acquisitions."

The acquisition is to be financed by the placing of 1.5m new USH shares at 25p. Further payments of up to £1.45m are tied to Invertron's profit performance over the next three years.

FINANCIAL TIMES SURVEYS

OFFICE EQUIPMENT

Publication Date: Thursday 3rd September 1987
Insertion Guarantee: Friday 31st July 1987
Copy Date: Friday 21st August 1987

* To guarantee that your advertisement appears in this survey, orders will be required by the date shown.

EDITORIAL SYNOPSIS
The Financial Times proposes to publish this survey on the above date. The provisional editorial approach is set out below, and is not a sales release. However, it cannot be used as a sales release. The office equipment market, worldwide, is now worth more than £200bn a year, with most companies in the sector reporting larger order books. This growth reflects not only the increasing number of office workers in Europe (around 150m) and the US (110m), but also the surge of new equipment in the last decade. Among suppliers in most sectors, the competition is intensifying—not only in new automated equipment areas but in the more "traditional" sectors such as photocopiers, typewriters, stationery and office furniture.

For office managers, the task of equipment selection is becoming ever more complex with the change in office practices, the need for training and back-up services and the demand for integrating operations as the technology of business communications and computers converges.

Other articles in this survey will examine developments in key equipment sectors including:

- (a) Photocopiers.
- (b) Electronic typewriters.
- (c) Word processing equipment.
- (d) Communications and telephone equipment.
- (e) Electronic mail and new ways of sending text.
- (f) Facsimile developments.
- (g) Dictation equipment, answering machines.
- (h) Mailing systems, addressing, weighing and franking machines.

3 THE WORK PLACE
(a) How ways to co-ordinate the office with computer-related furniture systems & look at developments in desk/working linking the systems: the quest for flexibility in the office environment.
(b) Patterns in purchasing new equipment: the cost factors—buy, lease or rent? The role of outside consultants: office planning and for services such as printing, computing and mailing.

Advertising information can be obtained from Mayrick Simmonds, telephone number 01-248 8000, extension 4540, or your usual Financial Times representative.

Editorial Information
Please address all enquiries or suggestions concerning the editorial content of this survey in writing to the Survey's Editor.
The Financial Times Limited Reg. Office:
Bracken House, 10 Cannon Street, London EC4A 3DF
Registered in England Number 227990

The content, size and publication dates of surveys in the Financial Times are subject to change at the discretion of the Editor.

TELEPHONE
01-246 8026
for the
**FT INDEX
& BUSINESS NEWS REPORT**

- Hourly updated FT Index
- Starting Exchange Rates updated 3 times daily
- Bullion, Krugervands, platinum and base metal prices
- Dow Jones Industrial Average
- Share Market Report

NOTICE OF ISSUE

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

ABRIDGED PARTICULARS

WREXHAM AND EAST DENBIGHSHIRE WATER COMPANY

(Incorporated in England on 23rd June, 1984 by The Wrexham Waterworks Act, 1984)

OFFER FOR SALE BY TENDER OF £2,500,000

7½ per cent. Redeemable Preference Stock, 1996/98
(which will mature for redemption at par, at the latest, on 30th June, 1998)

Minimum Price of Issue £100 per £100 of Stock

yielding at that price, together with the associated tax credit at the current rate, 23.750 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto. The preferential dividends on this Stock, which will rank *pari passu* for dividends with the existing Preference Stocks, will be at the rate of 7½ per cent. *per annum* without deduction of tax. Under the imputation tax system, the associated tax credit, at the current rate of Advance Corporation Tax (ACT) (in the distribution), is equal to a rate of 2.635 per cent. *per annum*.

Tenders for the Stock must be made on the Form of Tender supplied with the Listing Particulars and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to National Westminster Bank PLC, New Issues Department, P.O. Box No. 79, 2 Princes Street, London EC2P 2BD, marked "Tender for Wrexham Water Stock" so as to be received not later than 11 a.m. on Thursday, 9th July, 1987. The balance of the purchase money will be payable not later than 12 noon on Thursday, 27th August, 1987.

Copies of the Listing Particulars, on the terms of which alone Tenders will be considered, and Forms of Tender will be available, for collection only, during usual business hours today and tomorrow from the Company Announcements Office of The Stock Exchange, London EC2N 1HP. Copies may also be obtained during normal business hours from:

Seymour, Pierce & Co.,
10, Old Jewry, London EC2R 6EA.

or from the Company's Principal Office,
21, Egerton Street, Wrexham, Chwyd LL11 1ND.

2nd July, 1987

Burns Anderson buys rest of UMG

Burns Anderson, the emerging financial services group, has exchanged contracts to buy the remaining 25 per cent of Universal Medical and General, the personal financial planning consultants formerly owned by two of the parent company's top executives.

Alan Moore, chief executive, and Mr Anthony Holdsworth, director, will receive 1.88m Burns Anderson shares for the balance of their holdings. These were worth £2.82m based on the 150p share price when the deal was agreed, but the subsequent rise to 230p has lifted the figure above £4.3m. UMG achieved pre-tax profits of £724,382 in the year to last September, at the end of which it had net assets of £26,436.

Braithwaite Group plc

£27 Million Acquisition

of

Andrews Group Public Limited Company

Samuel Montagu & Co. Limited
advised the company and underwrote a rights offer of new Braithwaite equity.

Pannure Gordon & Co. Limited
acted as brokers to the rights offer.

Samuel Montagu & Co. Limited,
10 Lower Thames Street,
London EC3R 6AE
Tel: 01-260 9000

Pannure Gordon & Co. Limited,
9 Moorfields Highwalk,
London EC2Y 9DS
Tel: 01-638 4010

July 1987

TESCO PLC

4% CONVERTIBLE BONDS 2002

We hereby give notice that the price at which Ordinary Shares will be issued on conversion will, as a result of the 2 for 1 Capitalisation Issue approved by the Shareholders in General Meeting on the 26th June 1987, be adjusted to 174p per Ordinary Share with effect from 26th June 1987.

To the Holders of

COLLATERALIZED MORTGAGE OBLIGATION TRUST SIXTEEN

Class 1 Floating Rate Bonds Due 3/20/2018

Pursuant to the Indenture dated as of December 1, 1986 between Collateralized Mortgage Obligation Trust Sixteen and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from June 20, 1987 through September 19, 1987 as determined in accordance with the applicable provisions of the Indenture, is 7.6875% per annum. Amount of interest payable is \$18.50 per \$1,000 principal amount.

COLLATERALIZED MORTGAGE OBLIGATION TRUST SIXTEEN

Helping the City plan its future

Only City Changes will keep you fully up to date with the nature and impact of development and global trading. Each month it tackles such issues as:

- The state of play with the new regulatory bodies, and how firms are managing to comply with their rules.
- The arrival from New York of third party research houses and specialist boutiques in London.
- Who's winning the battle for market share among London's new look firms and equities traders.

Discover how City Changes can help you become one of the winners in the changing City of London. Learn from the successes and failures of your rivals. Call David Harris on 01-923 6711 for a free sample copy.

**CRAWFORD'S
City Changes**
The Economist Publications Limited,
40 Duke Street, London W1A 1DW.

UK COMPANY NEWS

Elswick in £9m call for growth

BY JANICE WARMAN

Elswick, the cycle and lawn-mower manufacturer, yesterday announced the £6m acquisition of Labeltech, an adhesive-label supplier, along with a £9.4m rights issue and a near four-fold increase in pre-tax losses to £697,000.

Mr Bill Cross, the former chairman and chief executive of Brent Chemicals who took over at Elswick at the end of 1985, said the group had returned to profit since the year-end following its reorganisation and capital reconstruction, and anticipated paying a dividend after the next figures.

Last year, Elswick sold its loss-making agricultural machinery business and used a £4.05m rights issue to fund its £2.8m acquisition of Maclean's Printed Packaging.

Mr Cross would not break down the loss figure, but said

that the company's cycles division had returned to profit during the year to January 31. Since the year end the £950,000 acquisition of the Holdsworth Cycles business had reinforced its position as number two in the UK cycles market behind Raleigh.

Labeltech, a supplier of self-adhesive multicolour printed labels, produced pre-tax profits of £738,000 for the year to end December 1986 on sales up 30 per cent at £4.04m and has a net asset value of £1.19m.

Elswick would use the balance of its rights issue proceeds to fund acquisitions mainly in manufacturing and marketing products for end-use in industrial and consumer markets, Mr Cross said. It would concentrate on specialised market niches, specifically the development of the group's

new core business area of packaging.

It planned to spend more on research and development, and on penetration of the US cycle market, where the market stands at about 12m units per year.

The packaging division had performed satisfactorily, said Mr Cross. Ryehill Farm Services, which had enlarged its business and maintained profitability despite unfavourable market conditions, was not part of the group's long-term business.

The professional grass-cutting division incurred a year-end loss in the UK due to the steep decline in demand for agricultural machinery but the US operation again saw increases in sales and profits.

Turnover for the year to January 31 was static at £27.9m (£27.96m), of which £9.68m

(£13.06m) related to businesses which have been sold.

Operating profits of £104,000 (£672,000) were depressed by product and marketing development which were substantially higher at £800,000.

Interest payments fell from £858,000 to £501,000. Tax fell from £43,000 to £33,000. Extraordinary charges of £1.13m (£285,000) resulted from disposal, reconstruction and closure costs. Picador Engineering, the last of the group's loss-making businesses, was sold in February.

Loss per share rose from 0.57p to 1.51p.

Elswick operates from 15,000 sq ft of freehold premises on a one-acre site at Witham, Essex. Elswick is to pay £5.7m in loan notes and the balance in 1.03m consideration shares, conditional on shareholders' approval.

ICI rubber chemical sale

Imperial Chemical Industries yesterday announced the sale of its rubber chemicals business, Vulcan International, to Akzo Chemie, the Dutch chemical company, for an undisclosed amount.

Vulcan, a small company which is owned jointly with Rhone-Poulenc, the state-owned French group, sells a range of accelerators, additives and agents said to be complementary to Akzo's product range for the rubber industry.

Yearlings

Yearling bonds totalling £0.25m at 9½ per cent, redeemable on July 16 1988, have been issued by West Lancashire District Council.

Good start for Sainsbury with sales up on budget

SIR John Sainsbury, chairman of J Sainsbury, retail food distributor, told shareholders at the annual meeting yesterday that the year had started well and sales were running well ahead of budget. The directors were confident that it would be another record year.

Altogether the company's plans would result in the creation of more than 17,500 jobs in the next three years, he said.

At its US associated company, Shaw's Supermarkets, the company intended to pursue a policy of ambitious expansion that had been the pattern of their growth in recent years. By the end of this year, he added, the company would have about 170 supermarkets on scanning

accounting for over 70 per cent of its trade.

The directors intended to raise their target from 15 to 20 new stores a year, he said.

Yelverton Inv.

Yelverton Investments, USM-quoted investment company, boosted pre-tax profits from £5,381 to £22,696 in the six months to April 30, 1987. Group income rose from £185,337 to £419,783.

Net asset value was 42.5p (38.4p) and earnings rose from 0.06p to 1.24p.

Administration expenses accounted for £174,405

John Williams up 82% midway

Pre-tax profits of John Williams of Cardiff, iron manufacturer and steel stockholder, rose from £102,100 to £185,700 in the six months to March 31, a rise of 82 per cent. Turnover declined slightly from £5.71m to £5.65m.

The directors decided to dispose of its subsidiary's galvanising buildings and plant which have been sold to Cardiff Galvanisers (1989) and the steel stockholding business (excluding the warehouse) to the Austin Trumans steel group.

There was again no tax, and after minorities and an extraordinary debit last time, earnings per share were 2.67p (1.51p).

CONTRACTS

£17m distribution order for Alpine

Newly-formed frozen food distributor ALPINE has signed its first major contract with Gateway Foodmarkets in a deal worth £17m over the next two years. Centralised delivery of some 600 frozen food lines to 1,000 Gateway outlets will be undertaken throughout England and Wales. Alpine is projected to handle at least 5m cases a year under the arrangement, from three locations at Driffield near Sheffield, Yate near Bristol, and Epsom, Hertfordshire. Each depot has at least 500,000 cu ft of cold store dedicated to Gateway. The contract is expected to create a total of 180 new jobs at these sites for cold-store operatives, drivers and administrators. The rationalisation will unite the previously separate frozen distribution systems of Gateway and Dee Corporation's recently acquired Fine Far outlets. Alpine was formed in January from two acquisitions by the employee-owned National Freight Consortium.

Swindon-based SQUARE D has won a £233,000 order to supply electrical equipment for an office development in the City of London. The low voltage electrical distribution equipment is wanted for the Beaufort House Development now being built near Petticoat Lane.

APPOINTMENTS

Reorganisation at Sun Life Group

THE SUN LIFE GROUP has reorganised its sales and marketing operations. Mr Frank Berry, general manager (marketing and sales), has taken over responsibility for all of the group's sales activities with the title of general manager (group sales). Responsibility for group marketing has moved to Mr Clive Williams, general manager (business development), whilst Mr John Riley, corporate planning manager, has been promoted to succeed Mr Peter Pummell as assistant general manager (group marketing). Mr Pummell retires on November 1.

At HENDERSON CROSTWAITHE Mr Gerald Chevre has been appointed a director. The following directors have been appointed to the company's executive committee: Mr Barry Cowper, Mr Patrick Crosthwaite and Mr Malcolm Rooker.

At GUINNESS MAHON Mr Patrick Moorsom has joined as director in charge of banking. He will be a member of the bank's executive committee. Mr Moorsom was formerly managing director of Croyzer and president of Banque de Rive S.A. Mr Nicholas Plummer is joining as a director in the banking department. He has been at Banque Paribas since 1983 where he specialised in syndications.

ERNST & WHINNEY has appointed six partners: At the London office Mr John Fairley becomes a partner in the international business services group, providing advice on international tax-related issues; Mr Glenn Leitch becomes a partner specialising in personal tax and financial planning; Mr David Thomas becomes an audit partner, servicing clients in manufacturing, banking and energy sectors; and Mr Andrew Macfarlane becomes a partner in the corporate finance department, where he specialises in advising on fund-raising activities and management buy-outs. Mr Bruce Morton becomes an audit partner in the firm's Birmingham office, where he will be involved in the development of Ernst & Whinney's micro advisory services in the West Midlands; and Mr John Rendell joins the Thames Valley office in Reading as a partner handling management buy-outs, fund-raising and acquisitions, as well as audit assignments.

Mr Philip Wilkinson has become a deputy chairman of NATIONAL WESTMINSTER BANK, having joined as group chief executive of the bank. A main board director since 1979, he was appointed group chief executive in 1983 and is succeeded by Mr Tom Frost.

Mr Roger Lascombe has been appointed a vice-president at MORGAN STANLEY INTERNATIONAL. Previously with Schroders on the corporate finance side, he will now be responsible for UK corporate marketing.

At the SAAB-SCANIA GROUP Mr Christer Skogsborg, managing director of Saab Great Britain since March, 1984, has been appointed head of treasury, vice president and deputy general manager of THE RIGGS NATIONAL BANK OF WASHINGTON, D.C., London branch. Mr George Swain has been appointed vice president and chief dealer of Riggs, London branch.

Mr John W. T. Hunt has been appointed head of treasury, vice president and deputy general manager of THE RIGGS NATIONAL BANK OF WASHINGTON, D.C., London branch. Mr George Swain has been appointed vice president and chief dealer of Riggs, London branch.

This advertisement is issued in compliance with the requirements of the Council of the Stock Exchange

Leda Investment Trust plc
(Registered in England No. 726423)
to be renamed

Grahams Rintoul Investment Trust plc

Conversion of the existing Income Shares of 20p each into 4,980,522 Preferred Shares of 20p each and of the existing Capital Shares of 5p each into 4,980,522 Ordinary Shares of 5p each

Rights issue of 4,980,522 new Ordinary Shares of 5p each and 9,961,044 Cumulative Redeemable Stopped Capped Preference Shares of £1 each

Leda Investment Trust PLC, whose name is to be changed to Grahams Rintoul Investment Trust PLC, has reorganised its capital structure, board and management and will in future continue as an approved investment trust specialising in the shares of smaller UK companies.

Application has been made to The Council of The Stock Exchange for the admission to the Official List of the new Ordinary Shares and the Cumulative Redeemable Stopped Capped Preference Shares to be issued by way of rights. It is expected that dealings, in the form of nil-paid Units each comprising one new Ordinary Share and two Cumulative Redeemable Stopped Capped Preference Shares, will commence on 8th July, 1987 and that the Preferred Shares and Ordinary Shares will be dealt in, fully paid, from that date.

Particulars relating to the Company have been circulated in Eriel Statistical Services. Copies of the circular containing the Listing Particulars may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted) up to and including 7th July, 1987 from Companies Announcements Office, Citicorp Department, The Stock Exchange, London EC2P 2JX, for collection only, and up to and including 24th July, 1987 from:

Wood Mackenzie & Co. Limited RT Agencies Limited
2091 Wood Street 3 Finsbury Square
London EC2V 7HS London EC2A 1RT

2nd July, 1987

CAP GEMINI SOGETI

INTRODUCED ON THE FORWARD MARKET

Pursuant to agreement by the stock market authorities, as of June 23, 1987, CAP GEMINI SOGETI, Europe's leading professional software services company, will pass from the Second Market of the Paris Stock Exchange to the Forward Market.

Generale Bank

U.S. DOLLARS 50,000,000
DEFERRED COUPON FLOATING RATE NOTES
DUE 1989
(issued on a subordinated basis)

Holders of the Notes of the above issue are hereby notified that for the first interest period the following will apply:

INTEREST RATE: 10.325% PER ANNUM
INTEREST PERIOD: 30 JUNE, 1987 - 30 DECEMBER, 1987
INTEREST AMOUNT: US\$1,121.35 PER US\$250,000 NOTE

BANK OF TOKYO INTERNATIONAL LIMITED
AGENT BANK

GRANVILLE SPONSORED SECURITIES					
High Low	Company	Price Change	div. (p)	%	P/E
177 133	Ass. Brl. Ind. Ordinary	177	—	7.3	4.1 10.8
170 146	Ass. Brl. Ind. CULS	170	—	10.0	5.9 —
38 34	Armitage and Rhodes	38	—	4.2	11.1 6.3
80 67	BBS Design Group (USM)	80	—	1.4	1.8 18.1
265 215	Barton Hill Group	265	+4	5.3	1.3 24.4
171 86	Bay Technologies	171	+1	4.7	2.7 13.7
195 130	CCL Group Ordinary	195	+3	11.5	6.9 5.0
123 89	CCL Group 11pc Conv. Pref.	123	—	15.7	12.8 —
148 136	Carborundum Ord.	148	—	8.4	3.7 12.7
94 81	Carborundum 7.5pc Pref.	94	—	10.7	11.5 —
107 87	George Blair	107	+1	3.7	3.5 2.8
148 119	Isle Group	148	—	6.8	4.9 7.5
138 119	Jackpot Group	138	—	18.2	4.6 9.0
385 321	James Burrough	385	+7	12.9	13.3 —
87 86	James Burrough Spc Pref.	87	—	—	20.2
780 510	Multihouse NV (AmstSE)	780	—	—	—
442 381	Record Ridgway Ordinary	442	+8	1.4	— 8.9
86 82	Record Ridgway 10pc Pref.	86	—	14.1	17.2
91 80	Robey Jenkins	91	—	—	3.5
110 42	Sources	110	—	—	—
184 141	Torday and Carlie	184	+2	8.8	3.8 8.8
415 321	Trevan Holdings	415	—	7.9	1.9 8.8
108 73	Unilock Holdings (SE)	108	—	2.8	2.6 18.9
180 115	Walter Alexander	180	+10	5.9	3.2 13.3
198 190	W. Yates	198	—	17.4	8.9 18.5
118 98	West Yorks Ind Hosp (USM)	118	—	5.5	6.1 11.4

Granville & Company Limited
8 Lovett Lane, London EC3R 6BB
Telephone 01-621 1212
Member of FIMERA

Granville Davies Coleman Limited
27 Lovett Lane, London EC3R 8DT
Telephone 01-621 1212
Member of the Stock Exchange

New Issue

This advertisement appears as a matter of record only

June 22, 1987

Arab Banking Corporation (B.S.C.)
Manama, Bahrain

DM 150,000,000
5½% Deutsche Mark Bearer Bonds of 1987/1992

— Stock Index No. 481150 —

Offering Price: 100%

Dresdner Bank
Aktiengesellschaft

Arab Banking Corporation - Daus & Co. GmbH

Banque Paribas Capital Markets GmbH

CSFB-Effektenbank

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Industriebank von Japan (Deutschland) AG

Bayerische Vereinsbank Aktiengesellschaft

Deutsche Bank Aktiengesellschaft

Schweizerischer Bankverein (Deutschland) AG

Westdeutsche Landesbank Girozentrale

Morgan Stanley International

Commerzbank Aktiengesellschaft

DSL Bank Deutsche Siedlungs- und Landesrentenbank

Société Générale - Elsassische Bank & Co.

New Issue

All of these bonds having been sold, this announcement appears as a matter of record only.

July 1987

The Council of Europe Resettlement Fund
for National Refugees and Over-Population in Europe

Fonds de Réétablissement du Conseil de l'Europe
pour les Réfugiés Nationaux et les Excédents de Population en Europe

Strasbourg/Paris

DM 150,000,000

6½% Bearer Bonds of 1987/1997
with Currency Warrants

Issue price: 113½%
Interest date: July 1
Repayment: July 1, 1997
Subscription Right: Each bond in the principal amount of DM 5,000.- is provided with 10 Warrants. From July 15, 1987 through June 15, 1989 US\$ 500.- can be subscribed for each Warrant at the exchange rate of DM 1.80 for US\$ 1.-.
Listings: Frankfurt (Main)

BHF-BANK

Bank für Gemeinwirtschaft Aktiengesellschaft	Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft	Bayerische Landesbank Girozentrale
Bayerische Vereinsbank Aktiengesellschaft	Berliner Bank Aktiengesellschaft	Bankhaus Gebrüder Bethmann
Commerzbank Aktiengesellschaft	Delbrück & Co	Deutsche Bank Aktiengesellschaft
DG BANK	Deutsche Girozentrale - Deutsche Kommunalbank -	Dresdner Bank Aktiengesellschaft
DSL Bank	Georg Hauck & Sohn Bankiers	Hessische Landesbank - Girozentrale -
Deutsche Siedlungs- und Landesrentenbank	Kommanditgesellschaft auf Aktien	
Bankhaus Hermann Lampe Kommanditgesellschaft	Landesbank Rheinland-Pfalz - Girozentrale -	Merck, Finck & Co.
B. Metzler seel. Sohn & Co. Kommanditgesellschaft auf Aktien	Norddeutsche Landesbank Girozentrale	Sal. Oppenheim jr. & Cie.
Trinkaus & Burkhart Kommanditgesellschaft auf Aktien	Vereins- und Westbank Aktiengesellschaft	M.M. Warburg-Brinckmann, Wirtz & Co.
	Westdeutsche Landesbank Girozentrale	Westfälische Bank Aktiengesellschaft

Algemene Bank Nederland N.V.	Banca del Gottardo	Banque Bruxelles Lambert S.A.
Banque Indosuez	Banque Internationale à Luxembourg S.A.	Crédit Commercial de France
Daiwa Europe (Deutschland) GmbH	Genossenschaftliche Zentralbank AG - Vienna	Hill Samuel & Co. Limited
Industriebank von Japan (Deutschland) Aktiengesellschaft	Kreditbank International Group	Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
Pierson, Holding & Pierson N.V.	Schweizerischer Bankverein (Deutschland) AG	Société Générale - Elsassische Bank

COMMODITIES AND AGRICULTURE

Few winners in EC compromise

BY TIM DICKSON

BY COMMUNITY standards, it all ended remarkably swiftly. Once the EC Summit had cleared away the two major hurdles late on Tuesday evening, Agriculture Ministers needed just six hours, including time out for naps, to sew up a much delayed farm price package for the current year.

Given the deadlock which prevailed just 48 hours earlier, there is no denying their achievement or the important intermediary role played by EC Summit leaders in breaking the impasse over the oils and fats tax and agricultural reform.

Moreover as the European President Mr Jacques Delors pointed out afterwards, the key deal on "green" currencies worked out by Paris and Bonn on Monday and Tuesday should contribute to halting the "dangerous drift" in Franco/German relations caused by this issue and which has been potentially destabilising for the rest of the member states.

The fact is, though, that an agreement which by its nature was ultimately designed to please everybody will probably end up pleasing very few.

Certainly the European Commission, which envisaged savings of Ecu 1.1bn and Ecu 4bn for 1987 and 1988 respectively when it published its original proposals must be bitterly disappointed that the final package (based on its own calculations yesterday) will now save just Ecu 230m this year and Ecu 400m next.

Experts in Brussels yesterday were saying that the measures being taken in the cereals sector, although restrictive in part, will not be tough enough to head off the imminent European Community grain glut (a surplus of more than 100m tonnes by the early 1990s) and that the blatant fudge of a real reform of the complex system of monetary compensation amounts (MCAs) could well be storing up unexpected budgetary problems over the next 12 months.

With their incomes broadly declining this year, at least in real terms, European farmers are unlikely to find much joy in the new package either. Pressures for nationally-funded income supports, notably from West Germany, and the whole debate about the impact of re-nationalising the CAP, are consequently not going to go away over the next 12 months.

In the meantime, however, the Brussels package was directed to digesting the details of the final farm price package. The ill-fated oils and fats proposal and MCAs apart, this is broadly in line with the Commission's compromise put to Farm Ministers at their unsuccessful meeting in Luxembourg last month with the exception of some small but significant changes.

Ministers finally agreed the plan to alter the intervention system for cereals so that it will only be activated when the average Community market

price falls below the intervention price. In this case the price offered will only be 94 per cent of the intervention price, as opposed to an earlier proposal of 93 per cent, implying an effective 6 per cent cut in present prices.

In an effort to appease the West Germans, whose Farm Minister Mr Ignaz Kiechle threatened in Luxembourg to veto this part of the package, the Commission also agreed to increase the maximum moisture content rate for buying in, a move which is also likely to please Ireland and the UK.

There will be seven monthly increases for the intervention price from November until May while the green currency devaluations agreed for the likes of Ireland, France and the UK will further limit the impact of price restraint in national currencies.

The possibilities for suspending intervention—which has recently been applied to butter after a similar change in that regime—admittedly represents a new uncertainty for farmers. But the terms of the final settlement would seem to be considerably less severe than the Commission's original proposals for substantial nominal price cuts and the limiting of buying-in to just five months of the year.

The key decision to shelve the oils and fats tax—still remains on the table and will be the subject of an additional study and of consultations with

the Community's main trading partners—"also forced the Commission to modify its earlier ideas for sharp price cuts in the oilseeds regime. The rapeseed price will now be just 3 per cent less than before (as against 6 per cent in the last Commission compromise) and sunflower seed prices will be frozen (rather than being cut by 3 per cent). These changes were essential to buy support from the package from those countries (notably France and Greece and Italy) which had consistently supported the oils and fats proposal.

The most significant watering down, however, was achieved by France and West Germany on the future of the MGA system. MCAs are subsidies on European farm trade designed to even out the effect of currency fluctuations.

The complex deal—which was gradually accepted by the Commission—allows for the gradual dismantling in two stages of the existing German positive MCAs (subsidies on German exports, taxes on other countries' imports) to be compensated in part by a German national aid up to the end of 1988.

The new package, which is likely to be formally adopted by the meeting of EC Budget Ministers in Brussels today, will come into effect next Monday.

LONDON MARKETS

AFTER appearing to lose momentum at the beginning of this week copper's bull trend on the London Metal Exchange reaffirmed itself yesterday. Concern over tight supplies encouraged renewed "barrowing" (buying cash and selling forward) which helped to lift the cash price above the £1,000 a tonne mark for the first time in 15 months. Cash Grade A copper closed at £1,008.50 a tonne, up £17 on the day, while the three months position was £1,250 up at £998 a tonne.

Dealers said the rise was again led by the US market where large premiums are reported to have been paid for good quality metal, against a background of low stocks. In the afternoon London copper gained extra strength from sterling's retreat from earlier gains. By way of contrast the LME's new dollar-denominated silver contract got off to a far from lively start yesterday. Although now firework had been expected the inaugural session must have been somewhat of a disappointment. No trades at all were recorded in the ring and dealers reported no signs of off-ring trading.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

Grade	Unofficial + or -	High/Low
99.9% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

COPPER

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

SILVER

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

COFFEE

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

COCOA

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

NICKEL

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

ZINC

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

LONDON METAL EXCHANGE

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

TIN

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

GOLD

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

GOLD AND PLATINUM COINS

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

RUBBER

Grade	Unofficial + or -	High/Low
99.7% (unofficial) + or -		
1 month	1578-85	+12 1580
Official closing (am): Cash		
(—), three months 1,581.5 (1,555-52)		
Kerb close: unquoted. Ring Turnover		
250 tonnes.		
ALUMINIUM—68.5 per cent		

INDICES

June 30, June 29, 1987					Birth	Year	
1629.1					1631.4	1617.9	1462.7
(Base: September 18 1931=100)							
DOW JONES							
Dow Jones	June 29	June 28	Birth	Year			
Spot	126.69	126.64	—	126.21			
Fut	124.45	124.94	—	118.23			
(Base: December 31 1974=100)							

CURRENCIES, MONEY & CAPITAL MARKETS

27

FOREIGN EXCHANGES

Dollar better after weak start

THE DOLLAR recovered from a weak start, to close around its highest level of the day. Trading was quiet, but the US currency may have gained a little support from news that US construction spending rose 0.3 per cent in May, compared with a revised increase of 2.3 per cent in April.

Today's US unemployment figures, ahead of the Independence Day long weekend holiday in the US, are not expected to move the dollar outside its present narrow range of around DM 1.81 to DM 1.84, and the next test may not come until release of the May US trade figures on June 15.

The dollar rose to DM 1.8280 from DM 1.8255, to FFR 6.10 from FFR 6.08, to Sfr 1.5190 from Sfr 1.5150, and was unchanged at Y146.75.

On Bank of England figures the dollar index eased to 102.2 from 102.3.

STERLING—Trading range against the dollar in 1987 is 1.6885 to 1.4710. June average 1.6888. Exchanges compared with a revised 2.3 per cent increase in April. The dollar closed at DM 1.8285, against DM 1.8270 on Tuesday. Earlier in the day the Bundesbank

initially the pound rose sharply, in a technical reaction to its decline after last month's UK general election, and against an encouraging political and economic background.

UK prices have firmed after the Vienna meeting of ministers from the Organisation of Petroleum Exporting Countries, but fell back

£ IN NEW YORK

July 1	Latest	Previous
Spot	1.6190-1.6200	1.6190-1.6190
3 months	0.75-0.76	0.75-0.76
12 months	2.22-2.12	2.24-2.20

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

July 1	Latest	Previous
8.30 am	72.5	72.0
9.30 am	72.5	72.1
10.30 am	72.5	72.1
11.00 am	72.7	72.2
12.00 pm	72.5	72.2
1.00 pm	72.5	72.3
2.00 pm	72.5	72.3
3.00 pm	72.5	72.3

CURRENCY RATES

July 1	Bank of England	Special Drawing Rights	European Currency Unit
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780

*C/S/D/R rate for June 30: 1.70190

CURRENCY MOVEMENTS

July 1	Bank of England	Special Drawing Rights	European Currency Unit
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780

OTHER CURRENCIES

July 1	Bank of England	Special Drawing Rights	European Currency Unit
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780
US Dollar	1.6190	0.701910	1.3780

*C/S/D/R rate for June 30: 1.70190

MONEY MARKETS

London rates show little change

INTEREST RATES showed little overall change in London yesterday. Sentiment remained quietly bullish however, helped by sterling's early strength. However, there appeared to be little enthusiasm behind thought of an early cut in base rates.

UK clearing bank base lending rate 9 per cent since May 8

Three-month interbank money finished at 9.4-9.6 per cent unchanged from previously, while overnight money eased to a low of 5 per cent, before going back to 8.4 per cent bid.

The Bank of England forecast a shortage of around £800m with factors affecting the market including the repayment of any late assistance and bills maturing in official hands together with a take up of Treasury bills draining £750m and a rise in the note circulation of £125m. These were partly offset by exchequer transactions, which added £50m and banks' balances brought forward £50m above target.

The forecast was later revised to a shortage of around £850m and the Bank gave assistance in the morning of £200m through outright purchases of £14m of eligible bank bills in £1.47m in

band 2 and £48m in band 3 all at 9.4 per cent.

A further revision took the forecast to a shortage of around £900m, before taking into account the early help and the Bank gave additional assistance in the afternoon of £513m through outright purchases of £194m of eligible bank bills in band 1 at 9.4 per cent and £27m in band 2 also at 9.4 per cent. In band 3 it bought £82m of Treasury bills, £23m of local authority bills and £147m of eligible bank bills all at 9.4 per cent.

Late assistance came to £335m, making a total of £1,077m.

In the afternoon, the Bundesbank allocated DM 12.4bn at its latest sale and repurchase tender. The minimum accepted bid was 3.55 per cent, unchanged from the last time and the funds were allocated to successful applicants yesterday, replacing a maturity facility of DM 11.2bn. Demand for the extra funds resulted in total bids of £17.9bn. Short-term money rates eased as some end of month payments found their way back into the market. Overnight balances were quoted at 3.55-3.65 per cent against a 7.5-8.00 per cent quoted on Tuesday.

In Amsterdam the Dutch central bank allocated F1.4bn through special advances at an unchanged rate of 3.1 per cent.

FINANCIAL FUTURES

Gilts ease as pound slips

GILT PRICES shed early gains in the London International Financial Futures Exchange yesterday to finish slightly down on the day.

Early gains reflected sterling's firmer trend and the latter encouraged overseas demand from the US and Japan. News that two of the three recent tablets had been exhausted also paved the way for further gains.

However the encouraging background provided room for only short-lived gains and after opening at 123-17 and touching a high of 123-20, the September long gilt

contract fell away. Losses were multiplied during the afternoon as sterling relinquished all of the day's gains to finish unchanged from Tuesday and the September gilt price fell away to a low of 122-14 before finishing at 122-15 down from 123-04 on Tuesday.

Three-month sterling deposits were also weaker but trading was on the quiet side. Despite sterling's early strength, cash rates were barely changed and there appeared to be little prospect of any early cut in base rates. Consequently futures prices were con-

tracted to a relatively narrow band, opening at 90.94 for September delivery up from 90.88 on Tuesday and touching a high of 90.95 before easing back to close at the day's low of 90.84.

US Treasury bonds recovered from opening levels but were still down from Tuesday. Trading was very quiet ahead of the long weekend and today's US unemployment figures. The September price opened at 91-04 down from 91-26 on Tuesday but recovered to touch a high of 90-24 before closing at 91-16.

LIFE LONG GILT FUTURES OPTIONS

Strike	July	Aug	Sept	Oct	Nov	Dec
110	1.59	1.59	1.59	1.59	1.59	1.59
115	1.59	1.59	1.59	1.59	1.59	1.59
120	1.59	1.59	1.59	1.59	1.59	1.59
125	1.59	1.59	1.59	1.59	1.59	1.59
130	1.59	1.59	1.59	1.59	1.59	1.59
135	1.59	1.59	1.59	1.59	1.59	1.59
140	1.59	1.59	1.59	1.59	1.59	1.59
145	1.59	1.59	1.59	1.59	1.59	1.59
150	1.59	1.59	1.59	1.59	1.59	1.59
155	1.59	1.59	1.59	1.59	1.59	1.59
160	1.59	1.59	1.59	1.59	1.59	1.59
165	1.59	1.59	1.59	1.59	1.59	1.59
170	1.59	1.59	1.59	1.59	1.59	1.59
175	1.59	1.59	1.59	1.59	1.59	1.59
180	1.59	1.59	1.59	1.59	1.59	1.59
185	1.59	1.59	1.59	1.59	1.59	1.59
190	1.59	1.59	1.59	1.59	1.59	1.59
195	1.59	1.59	1.59	1.59	1.59	1.59
200	1.59	1.59	1.59	1.59	1.59	1.59

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

Previous day's open: Cals 1,238 Puts 1,014

Estimated volume total, Cals 1,238 Puts 1,014

LIFE LONG GILT FUTURES OPTIONS

Strike	July	Aug	Sept	Oct	Nov	Dec
110	1.59	1.59	1.59	1.59	1.59	1.59
115	1.59	1.59	1.59	1.59	1.59	1.59
120	1.59	1.59	1.59	1.59	1.59	1.59
125	1.59	1.59	1.59	1.59	1.59	1.59
130	1.59	1.59	1.59	1.59	1.59	1.59
135	1.59	1.59	1.59	1.59	1.59	1.59
140	1.59	1.59	1.59	1.59	1.59	1.59
145	1.59	1.59	1.59	1.59	1.59	1.59
150	1.59	1.59	1.59	1.59	1.59	1.59
155	1.59	1.59	1.59	1.59	1.59	1.59
160	1.59	1.59	1.59	1.59	1.59	1.59
165	1.59	1.59	1.59	1.59	1.59	1.59
170	1.59	1.59	1.59	1.59	1.59	1.59
175	1.59	1.59	1.59	1.59	1.59	1.59
180	1.59	1.59	1.59	1.5		

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Base values: Dec 31, 1986 = 100
Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987
Latest prices unavailable for this edition.

AUTHORISED UNIT TRUSTS

[illegible]

ADRI Bank	9	● Charlotte Bank	9	Mid Bk. of Hawaii	9
Aiken and Company	9	Chatham NA	9	MidWesternBank	9
Allied Arab Bk Ltd	9	City Merchants Bank	9	Northern Bank Ltd	9
Allied Danub & Co	9	CydoBank Bank	9	Norwich Gas Trust	9
Allied Irish Bank	9	Combs. Bk. N. East	9	PK Finance Ltd	10
American Exp. Bk	9	Consolidated Cont	9	Provident Trust Bank	10
Aurea Bank	9	Co-operative	9	R. Rayfield & Son	9
Bany Ashlander	9	Cyprus Popular Bk	9	Reynolds & Co	9
B&L Banking Group	9	Duncan Lennie	9	Royal Bk of Scotland	9
Associates Cap Corp	9	Equat'l W. Tel'Co plc	9	Royal Trust Bank	9
Authority & Co Ltd	9	Exeter Times Ltd	9½	Sains & Wilsons Sacs	9
Banco de Bilbao	9	Financial & Com. Sec	9	Standard Chartered	9
Bank Hapoarim	9	First Nat. Fin. Corp	10	Trustee Savings Bank	9
Bank Leumi (UK)	9	First Nat. Ins. Ltd.	10	UDF Mortgage Exp	11½
Bank Credit & Comm	9	● Robert Fleming & Co.	9	United Bk of Kuwait	9
Bank of Cyprus	9	Robert Foster & Pils.	9	United Mizrahi Bank	9
Bank of Ireland	9	Grosvenor	9	Unity Trust P.L.C.	9
Bank of India	9	Grainings Bank	9	Western Trust	9
Bank of Scotland	9	● Guinness Mahon	9	Westpac Bank Corp	9
Barnebe Belgis Ltd	9	HFC Trust & Savings	9	Whiteway Landbank	9½
Barclays Bank	9	● Harcus Bank	9	Yorkshire Bank	9
Bank Credit & Comm	9	Herbert & Co. Trs.	9		
Beauchamp Trust Ltd	9	● HSBC Samuel	9	● Members of the Assoc	
Beneficial Trust Ltd	10	C. Hoare & Co.	9	Houses Committee	9
Benifera Bank AG	9	● Hugonoff & Shupig	9	● deposits	9
Brit Bk of Mid East	9	Lloyds Bank	9	Top Tier—£2,500 at 3 m	
● Brown Shipley	9	Mesinger & Sons Ltd	9	notice 7.97%. At call	
Business Steps Ltd	9	Midland Bank	9	£10,000+ variable dep	
CL Bank (Richmond)	9	● Morgan Guaranty	9	2 call deposits £1,000 and	
Comet Investment	9	● Mount Cook Corp. Ltd	9	4½% gross. 1 mortgage	
Cyprus Ltd	9			5 demand deposit	3½
				Mortgage 11.25%	

HIGHLANDER

ACROSS

- 1 Turn in on behalf of cause (6)
- 4 Intend to have cast out back during the interval (8)
- 9 Showing signs of cold? It's said to be extensive (6)
- 10 A worn man and right mark, both incomplete, containing hidden word (8)
- 11 Beginning with old hat-band (6)
- 12 Makes lonely island so dead on Sunday (5)
- 13 Attached to engineering unit (3)
- 14 Unable to produce form of tenure (8)
- 17 What prince acquires from writing books? (7)
- 21 *The Gold Rush* is magnificent (6)
- 25 A court ordinance (3)
- 26 Flatter? Yes, in a way revealing good breeding (8)
- 27 Sign two similar stars (6)
- 28 Someone easily persuaded, to produce simple food (4, 4)
- 29 Run straight through (6)
- 30 Comment about one place producing small piece of meat (8)
- 31 Without hesitation, product is inferior (6)

DOWN

- 1 Giving up, following, or leaving (5)
- 2 Tree trunk is overhead (5)
- 3 Get them more agitated. Object: to gauge resistance (6)
- 5 Tax cut (6)
- 6 The Spanish do take on about rata (6)
- 7 Come lately home? Then drink nothing (2, 4)
- 8 Measure suit jacket (6)
- 12 Dream of going under in early childhood (7)
- 15 Boat Race controversy (3)
- 16 When one can be expected to be fed up (1, 1, 1)
- 18 As stated, you'll start overdrawn at the year-end (8)
- 19 Cause for dramatic action on stage (3)
- 20 One way seismic scale—ignoring hard core—is more accurate (3)
- 22 Conceal present in cinema (6)
- 23 Catskills heard over Light Infantry's foot (6)
- 24 An obstacle along the time was unknown in other times (6)
- 25 Make request to social worker indirectly (6)

The 'Big Bang' has brought changes that affect the strategy and market operations of private investors, both old hands and newcomers. Computerised investment trading and advice accentuate the need for D-I-Y research, knowledge, and share dealing to avoid becoming an impersonal cog in robot-controlled operations.

Completely revised and updated in the light of the 'Big Bang',

For the new or potential investor, it provides an invaluable introduction to the practices and procedures of the market; how to set up and manage an investment portfolio and how to make the best use of your capital.

- 1 No mystique about the Stock Exchange
- 2 Stocks and shares
- 3 The dealing business
- 4 Buying and selling
- 5 Paper work is important
- 6 Gifts with an edge
- 7 Foreigners have a word for it
- 8 Figures matter
- 9 Debenture and loan stock priorities
- 10 Getting the preference
- 11 Sharing the equity
- 12 The changing market
- 13 Portfolio creation and management
- 14 Stock Exchange newcomers
- 15 Other issues
- 16 Takeovers and mergers
- 17 Some specialised markets
- 18 Natural resources – a basic investment
- 19 Going foreign parts
- 20 Investment and unit trusts
- 21 Good watch prevents misfortune
- 22 Those distasteful taxes

Investor's glossary - index
Published November 1986.

Please return to: The Marketing Dept, Financial Times
Business Information

Order Form

Please note payment must accompany order. Prices include postage and packing.

Please send me _____ copy/copies* of INVESTOR'S GUIDE TO THE STOCK-MARKET(213).
 Fill in 02 52184 or 51515213 as above.

I enclose my cheque value £/US\$ _____ Made payable to FT Business Information.

I wish to pay by credit card (mark choice):

☐ Visa ☐ Access ☐ American Express ☐ Other

Card No. _____

[illegible]

☐ *I wish to order 5 or more copies. Please send me details of bulk order discounts.

(BLOCK CAPITALS)
Mr/Mrs/Ms _____

Title _____

Organization _____

Address _____

Postcode _____ Country _____
Signature _____ Date _____

Please allow 28 days for delivery. Refunds are given on books returned in good condition and within 7 days of receipt.

Registered office: Bracken House, 10 Cannon Street, London EC4P 4BY.
Registered England No. 980896.

High Yield Trust	198.2	210.2	+0.3	3.80	Income & Growth Tr	24.0	24.0	0.0	24 Albemarle St, London W1	07-493 9211	LAS UK Equity Tr	63.7	67.8	0.0	
Govt Sec Trust	29.8	30.9	0.12	8.12	Inst Growth Tr (2)	23.5	24.6	-0.5	884, Fraser Gb, Tr	188.2	200.2	1.00	LAS Japan	55.5	59.0
International Trusts					Japan Growth Tr (2)	27.6	27.6	-0.1					LAS European	49.2	52.30
Amer Sml Crs Tr	18.7	21.6	-1.7	0.05	N. Amer Growth Tr (2)	24.3	24.3	-0.6					LAS Europe	74.3	78.0

[illegible]

INSURANCE

FD

مذاهبنا الأصل

[illegible]

BRITISH FUNDS

BRITISH FUNDS—Contd

FOREIGN BONDS & RAILS

1987	Stock	Price	Yield	1987	Stock	Price	Yield	1987	Stock	Price	Yield			
High	Low		%	High	Low		%	High	Low		%			
"Shorts" (Lives up to Five Years)														
1001	7/8 Treasury 12mo 1987	100.85	11.89	8.93	1001	7/8 Treasury 12mo 1987	100.85	11.89	8.93	1001	7/8 Treasury 12mo 1987	100.85	11.89	8.93
1002	7/8 Treasury 12mo 1987	99.5	11.89	8.93	1002	7/8 Treasury 12mo 1987	99.5	11.89	8.93	1002	7/8 Treasury 12mo 1987	99.5	11.89	8.93
1003	7/8 Treasury 12mo 1987	98.5	11.89	8.93	1003	7/8 Treasury 12mo 1987	98.5	11.89	8.93	1003	7/8 Treasury 12mo 1987	98.5	11.89	8.93
1004	7/8 Treasury 12mo 1987	97.5	11.89	8.93	1004	7/8 Treasury 12mo 1987	97.5	11.89	8.93	1004	7/8 Treasury 12mo 1987	97.5	11.89	8.93
1005	7/8 Treasury 12mo 1987	96.5	11.89	8.93	1005	7/8 Treasury 12mo 1987	96.5	11.89	8.93	1005	7/8 Treasury 12mo 1987	96.5	11.89	8.93
1006	7/8 Treasury 12mo 1987	95.5	11.89	8.93	1006	7/8 Treasury 12mo 1987	95.5	11.89	8.93	1006	7/8 Treasury 12mo 1987	95.5	11.89	8.93
1007	7/8 Treasury 12mo 1987	94.5	11.89	8.93	1007	7/8 Treasury 12mo 1987	94.5	11.89	8.93	1007	7/8 Treasury 12mo 1987	94.5	11.89	8.93
1008	7/8 Treasury 12mo 1987	93.5	11.89	8.93	1008	7/8 Treasury 12mo 1987	93.5	11.89	8.93	1008	7/8 Treasury 12mo 1987	93.5	11.89	8.93
1009	7/8 Treasury 12mo 1987	92.5	11.89	8.93	1009	7/8 Treasury 12mo 1987	92.5	11.89	8.93	1009	7/8 Treasury 12mo 1987	92.5	11.89	8.93
1010	7/8 Treasury 12mo 1987	91.5	11.89	8.93	1010	7/8 Treasury 12mo 1987	91.5	11.89	8.93	1010	7/8 Treasury 12mo 1987	91.5	11.89	8.93
1011	7/8 Treasury 12mo 1987	90.5	11.89	8.93	1011	7/8 Treasury 12mo 1987	90.5	11.89	8.93	1011	7/8 Treasury 12mo 1987	90.5	11.89	8.93
1012	7/8 Treasury 12mo 1987	89.5	11.89	8.93	1012	7/8 Treasury 12mo 1987	89.5	11.89	8.93	1012	7/8 Treasury 12mo 1987	89.5	11.89	8.93
1013	7/8 Treasury 12mo 1987	88.5	11.89	8.93	1013	7/8 Treasury 12mo 1987	88.5	11.89	8.93	1013	7/8 Treasury 12mo 1987	88.5	11.89	8.93
1014	7/8 Treasury 12mo 1987	87.5	11.89	8.93	1014	7/8 Treasury 12mo 1987	87.5	11.89	8.93	1014	7/8 Treasury 12mo 1987	87.5	11.89	8.93
1015	7/8 Treasury 12mo 1987	86.5	11.89	8.93	1015	7/8 Treasury 12mo 1987	86.5	11.89	8.93	1015	7/8 Treasury 12mo 1987	86.5	11.89	8.93
1016	7/8 Treasury 12mo 1987	85.5	11.89	8.93	1016	7/8 Treasury 12mo 1987	85.5	11.89	8.93	1016	7/8 Treasury 12mo 1987	85.5	11.89	8.93
1017	7/8 Treasury 12mo 1987	84.5	11.89	8.93	1017	7/8 Treasury 12mo 1987	84.5	11.89	8.93	1017	7/8 Treasury 12mo 1987	84.5	11.89	8.93
1018	7/8 Treasury 12mo 1987	83.5	11.89	8.93	1018	7/8 Treasury 12mo 1987	83.5	11.89	8.93	1018	7/8 Treasury 12mo 1987	83.5	11.89	8.93
1019	7/8 Treasury 12mo 1987	82.5	11.89	8.93	1019	7/8 Treasury 12mo 1987	82.5	11.89	8.93	1019	7/8 Treasury 12mo 1987	82.5	11.89	8.93
1020	7/8 Treasury 12mo 1987	81.5	11.89	8.93	1020	7/8 Treasury 12mo 1987	81.5	11.89	8.93	1020	7/8 Treasury 12mo 1987	81.5	11.89	8.93
1021	7/8 Treasury 12mo 1987	80.5	11.89	8.93	1021	7/8 Treasury 12mo 1987	80.5	11.89	8.93	1021	7/8 Treasury 12mo 1987	80.5	11.89	8.93
1022	7/8 Treasury 12mo 1987	79.5	11.89	8.93	1022	7/8 Treasury 12mo 1987	79.5	11.89	8.93	1022	7/8 Treasury 12mo 1987	79.5	11.89	8.93
1023	7/8 Treasury 12mo 1987	78.5	11.89	8.93	1023	7/8 Treasury 12mo 1987	78.5	11.89	8.93	1023	7/8 Treasury 12mo 1987	78.5	11.89	8.93
1024	7/8 Treasury 12mo 1987	77.5	11.89	8.93	1024	7/8 Treasury 12mo 1987	77.5	11.89	8.93	1024	7/8 Treasury 12mo 1987	77.5	11.89	8.93
1025	7/8 Treasury 12mo 1987	76.5	11.89	8.93	1025	7/8 Treasury 12mo 1987	76.5	11.89	8.93	1025	7/8 Treasury 12mo 1987	76.5	11.89	8.93
1026	7/8 Treasury 12mo 1987	75.5	11.89	8.93	1026	7/8 Treasury 12mo 1987	75.5	11.89	8.93	1026	7/8 Treasury 12mo 1987	75.5	11.89	8.93
1027	7/8 Treasury 12mo 1987	74.5	11.89	8.93	1027	7/8 Treasury 12mo 1987	74.5	11.89	8.93	1027	7/8 Treasury 12mo 1987	74.5	11.89	8.93
1028	7/8 Treasury 12mo 1987	73.5	11.89	8.93	1028	7/8 Treasury 12mo 1987	73.5	11.89	8.93	1028	7/8 Treasury 12mo 1987	73.5	11.89	8.93
1029	7/8 Treasury 12mo 1987	72.5	11.89	8.93	1029	7/8 Treasury 12mo 1987	72.5	11.89	8.93	1029	7/8 Treasury 12mo 1987	72.5	11.89	8.93
1030	7/8 Treasury 12mo 1987	71.5	11.89	8.93	1030	7/8 Treasury 12mo 1987	71.5	11.89	8.93	1030	7/8 Treasury 12mo 1987	71.5	11.89	8.93
1031	7/8 Treasury 12mo 1987	70.5	11.89	8.93	1031	7/8 Treasury 12mo 1987	70.5	11.89	8.93	1031	7/8 Treasury 12mo 1987	70.5	11.89	8.93
1032	7/8 Treasury 12mo 1987	69.5	11.89	8.93	1032	7/8 Treasury 12mo 1987	69.5	11.89	8.93	1032	7/8 Treasury 12mo 1987	69.5	11.89	8.93
1033	7/8 Treasury 12mo 1987	68.5	11.89	8.93	1033	7/8 Treasury 12mo 1987	68.5	11.89	8.93	1033	7/8 Treasury 12mo 1987	68.5	11.89	8.93
1034	7/8 Treasury 12mo 1987	67.5	11.89	8.93	1034	7/8 Treasury 12mo 1987	67.5	11.89	8.93	1034	7/8 Treasury 12mo 1987	67.5	11.89	8.93
1035	7/8 Treasury 12mo 1987	66.5	11.89	8.93	1035	7/8 Treasury 12mo 1987	66.5	11.89	8.93	1035	7/8 Treasury 12mo 1987	66.5	11.89	8.93
1036	7/8 Treasury 12mo 1987	65.5	11.89	8.93	1036	7/8 Treasury 12mo 1987	65.5	11.89	8.93	1036	7/8 Treasury 12mo 1987	65.5	11.89	8.93
1037	7/8 Treasury 12mo 1987	64.5	11.89	8.93	1037	7/8 Treasury 12mo 1987	64.5	11.89	8.93	1037	7/8 Treasury 12mo 1987	64.5	11.89	8.93
1038	7/8 Treasury 12mo 1987	63.5	11.89	8.93	1038	7/8 Treasury 12mo 1987	63.5	11.89	8.93	1038	7/8 Treasury 12mo 1987	63.5	11.89	8.93
1039	7/8 Treasury 12mo 1987	62.5	11.89	8.93	1039	7/8 Treasury 12mo 1987	62.5	11.89	8.93	1039	7/8 Treasury 12mo 1987	62.5	11.89	8.93
1040	7/8 Treasury 12mo 1987	61.5	11.89	8.93	1040	7/8 Treasury 12mo 1987	61.5	11.89	8.93	1040	7/8 Treasury 12mo 1987	61.5	11.89	8.93
1041	7/8 Treasury 12mo 1987	60.5	11.89	8.93	1041	7/8 Treasury 12mo 1987	60.5	11.89	8.93	1041	7/8 Treasury 12mo 1987	60.5	11.89	8.93
1042	7/8 Treasury 12mo 1987	59.5	11.89	8.93	1042	7/8 Treasury 12mo 1987	59.5	11.89	8.93	1042	7/8 Treasury 12mo 1987	59.5	11.89	8.93
1043	7/8 Treasury 12mo 1987	58.5	11.89	8.93	1043	7/8 Treasury 12mo 1987	58.5	11.89	8.93	1043	7/8 Treasury 12mo 1987	58.5	11.89	8.93
1044	7/8 Treasury 12mo 1987	57.5	11.89	8.93	1044	7/8 Treasury 12mo 1987	57.5	11.89	8.93	1044	7/8 Treasury 12mo 1987	57.5	11.89	8.93
1045	7/8 Treasury 12mo 1987	56.5	11.89	8.93	1045	7/8 Treasury 12mo 1987	56.5	11.89	8.93	1045	7/8 Treasury 12mo 1987	56.5	11.89	8.93
1046	7/8 Treasury 12mo 1987	55.5	11.89	8.93	1046	7/8 Treasury 12mo 1987	55.5	11.89	8.93	1046	7/8 Treasury 12mo 1987	55.5	11.89	8.93
1047	7/8 Treasury 12mo 1987	54.5	11.89	8.93	1047	7/8 Treasury 12mo 1987	54.5	11.89	8.93	1047	7/8 Treasury 12mo 1987	54.5	11.89	8.93
1048	7/8 Treasury 12mo 1987	53.5	11.89	8.93	1048	7/8 Treasury 12mo 1987	53.5	11.89	8.93	1048	7/8 Treasury 12mo 1987	53.5	11.89	8.93
1049	7/8 Treasury 12mo 1987	52.5	11.89	8.93	1049	7/8 Treasury 12mo 1987	52.5	11.89	8.93	1049	7/8 Treasury 12mo 1987	52.5	11.89	8.93
1050	7/8 Treasury 12mo 1987	51.5	11.89	8.93	1050	7/8 Treasury 12mo 1987	51.5	11.89	8.93	1050	7/8 Treasury 12mo 1987	51.5	11.89	8.93
1051	7/8 Treasury 12mo 1987	50.5	11.89	8.93	1051	7/8 Treasury 12mo 1987	50.5	11.89	8.93	1051	7/8 Treasury 12mo 1987	50.5	11.89	8.93
1052	7/8 Treasury 12mo 1987	49.5	11.89	8.93	1052	7/8 Treasury 12mo 1987	49.5	11.89	8.93	1052	7/8 Treasury 12mo 1987	49.5	11.89	8.93
1053	7/8 Treasury 12mo 1987	48.5	11.89	8.93	1053	7/8 Treasury 12mo 1987	48.5	11.89	8.93	1053	7/8 Treasury 12mo 1987	48.5	11.89	8.93
1054	7/8 Treasury 12mo 1987	47.5	11.89	8.93	1054	7/8 Treasury 12mo 1987	47.5	11.89	8.93	1054	7/8 Treasury 12mo 1987	47.5	11.89	8.93
1055	7/8 Treasury 12mo 1987	46.5	11.89	8.93	1055	7/8 Treasury 12mo 1987	46.5	11.89	8.93	1055	7/8 Treasury 12mo 1987	46.5	11.89	8.93
1056	7/8 Treasury 12mo 1987	45.5	11.89	8.93	1056	7/8 Treasury 12mo 1987	45.5	11.89	8.93	1056	7/8 Treasury 12mo 1987	45.5	11.89	8.93
1057	7/8 Treasury 12mo 1987	44.5	11.89	8.93	1057	7/8 Treasury 12mo 1987	44.5	11.89	8.93	1057	7/8 Treasury 12mo 1987	44.5	11.89	8.93
1058	7/8 Treasury 12mo 1987	43.5	11.89	8.93	1058	7/8 Treasury 12mo 1987	43.5	11.89	8.93	1058	7/8 Treasury 12mo 1987	43.5	11.89	8.93
1059	7/8 Treasury 12mo 1987	42.5	11.89	8.93	1059	7/8 Treasury 12mo 1987	42.5	11.89	8.93	1059	7/8 Treasury 12mo 1987	42.5	11.89	8.93
1060	7/8 Treasury 12mo 1987	41.5	11.89	8.93	1060	7/8 Treasury 12mo 1987	41.5	11.89	8.93	1060	7/8 Treasury 12mo 1987	41.5	11.89	8.93
1061	7/8 Treasury 12mo 1987	40.5	11.89	8.93	1061	7/8 Treasury 12mo 1987	40.5	11.89	8.93	1061	7/8 Treasury 12mo 1987	40.5	11.89	8.93
1062	7/8 Treasury 12mo 1987	39.5	11.89	8.93	1062	7/8 Treasury 12mo 1987	39.5	11.89	8.93	1062	7/8 Treasury 12mo 1987	39.5	11.89	8.93
1063	7/8 Treasury 12mo 1987	38.5	11.89	8.93	1063	7/8 Treasury 12mo 1987	38.5	11.89	8.93	1063	7/8 Treasury 12mo 1987	38.5	11.89	8.93
1064	7/8 Treasury 12mo 1987	37.5	11.89	8.93	1064	7/8 Treasury 12mo 1987	37.5	11.89	8.93	1064	7/8 Treasury 12mo 1987	37.5	11.89	8.93
1065	7/8 Treasury 12mo 1987	36.5	11.89	8.93	1065	7/8 Treasury 12mo 1987	36.5	11.89	8.93	1065	7/8 Treasury 12mo 1987	36.5	11.89	8.93
1066	7/8 Treasury 12mo 1987	35.5	11.89	8.93	1066	7/8 Treasury 12mo 1987	35.5	11.89	8.93	1066	7/8 Treasury 12mo 1987	35.5	11.89	8.93
1067	7/8 Treasury 12mo 1987	34.5	11.89	8.93	1067	7/8 Treasury 12mo 1987	34.5	11.89	8.93	1067	7/8 Treasury 12mo 1987	34.5	11.89	8.93
1068	7/8 Treasury 12mo 1987	33.5	11.89	8.93	1068	7/8 Treasury 12mo 1987	33.5	11.89	8.93	1068	7/8 Treasury 12mo 1987	33.5	11.89	8.93
1069	7/8 Treasury 12mo 1987	32.5	11.89	8.93	1069	7/8 Treasury 12mo 1987	32.5	11.89	8.93	1069	7/8 Treasury 12mo 1987	32.5	11.89	8.93
1070	7/8 Treasury 12mo 1987	31.5	11.89	8.93	1070	7/8 Treasury 12mo 1987	31.5	11.89	8.93	1070	7/8 Treasury 12mo 1987	31.5	11.89	8.93
1071	7/8 Treasury 12mo 1987	30.5	11.89	8.93	1071	7/8 Treasury 12mo 1987								

[illegible]

AMERICANS—Continued

BUILDING, TIMBER,

DRAPERY AND STOR

ENGINEERING—Con**INDUSTRIALS—**

INDUSTRIALS—Cont

CANADIANS

Phoenix Timber	141	-2	15	4
Purchase	480		14.0	2

£357	£282	Do '8'	£95
771	288	Atlantic Computr 10m	745

754	Dairy Corp.	182	+3
196	Delta Group	308	+5
250	Demand 50s	478	

10.1	E28	E20	336	AA A SR 24	E274
13.8	394	226	Art Europe		392
12.9	705	363	Arco Rubber F1		705

5	153	Carbon 100 C-100	233	+3	
11 $\frac{1}{2}$	141 $\frac{1}{2}$	Carbon 75%	141 $\frac{1}{2}$...	97
9	14	Carbon 10	37		

BANKS.

Alcoa FL20.....	\$45	+0.33%	6
Alida Holdings.....	498	+5	8.0	2

195	133	DDT Group 50	156
133	59	Date Elec. 10n	106

124	Megopt 5p	1642-1
67	Metarax 5p	116

23.8	54	54	Bridgeland Group Top	47
17.9	233	138	Braden	201
24.2	388	206	Bridgport-6 201	288

198	Parallel Group 2p	377	45
221	Parion test	25	1/2

BEERS,

Body Shop Int 5p	780	-----	th15	6
Bottom Text 5p	74	+8	-----	-----

87	12	Murray Tech. Inc.	82	-1
934	579	NEC Corp Y50	889	-27
1113	77	REI	1113	+1

152	180-Isolates 10p	36	-2	
338	Booker	480	-4	13
75	Postscript 10p	88		

53	20	40A. Dm 5p	43
461	411	Elbiel 1Dp	452
217	172	Eliders 1X SAT	211

46	Splash Products 10p	60	-1	dl.3
19	Spring Hides 5p	397	+21	0

BUILDING,
FINISH, ROADS

Goldsmiths Grp.	285	75	2
Goodman Bros. Sp	63d		

211	63	Blackwood Ridge 10p	104	-1
605	295	Rodime 5p	295	-30
323	160	STC	164	-1

100	W-Mo Cash & Carry	153	-3	13
136	Matthews (B)	152		hi

1.4	352	207	Gordon Russell Sp	350
1.2	263	97	Granplan Hds	260

153	UDO Higgs 10p	230	...	12
84	Uikoroamp 15a	128	+3	1

[illegible]A 204 44 UDR Group 15p 189 (-)

60	INZI Cyn SHZO 50	72	0215
----	------------------	----	------

MINES—Continued

AMEX COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 35

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Blue chips offer resistance to futures-led fall

WALL STREET

RESISTING a strong downward pull from futures and other bearish factors, Wall Street stock prices suffered only minor losses yesterday in moderate trading, writes Roderick Oram in New York.

Bonds managed to overcome initial weakness prompted by slipage in the dollar and finished the session about 1/4 of a point higher. The Dow Jones industrial average closed down 8.77 points at 2,409.76. The index had slipped to a loss of about 15 points by mid-morning under the influence of stock index futures which were trading at steep discount after Tuesday's sharp drop in share prices.

Investors were cheered a little by the blue chips' resilience particularly in the face of a lower dollar and drifting bond market. The overall mood remains cautious, however. Many analysts see the possibility of further price corrections so investors were reluctant to take positions since today is the last session before the Independence holiday weekend.

Broader market indices slipped marginally taking the Standard & Poor's 500 down 1.07 to 302.93 and the New York Stock Exchange composite index down 0.55 at 107.52. NYSE volume was moderate at 157m shares with declining issues outnumbering those rising by a ratio of four-to-three.

Railway stocks were one of the few active sectors yesterday in the wake of Tuesday's news that Washington was forcing Santa Fe Southern Pacific to sell one or both of its railroads. Santa Fe rose \$2 to \$52 on volume of 3.4m shares which made it the most active NYSE issue, while two potential buyers, Kansas City Southern and Burlington Northern, fell 5/8 to \$58 1/2 and \$2 1/2 to \$80 1/2 respectively.

The Dow Transportation index closed down 2.63 points at 1,023.45 because of the general weakness of other railroads and airlines. Union Pacific fell 1 1/4 to \$77 1/4, Norfolk Southern added 3/4 to \$33 1/4 and CSX edged down 5/8 to \$34 1/4.

Among the airlines, which have been hurt recently by rising fuel prices, AMR, parent of American Airlines, dropped 1 1/4 to \$56, TWA lost 3/4 to \$29 1/4, Texas Air was unchanged at \$77 1/4 and NWA, parent of Northwest, was off 1/4 to \$88 1/4. United Technologies gained a further 5/8 to \$53 amid hopes that its pending sale of its Essex wire sub-

sidary indicated the group would make further rationalisations. Financial Corp of America, holding company of the largest US network of savings and loan institutions, fell 3/4 to \$34. The troubled group, which federal regulators are trying to sell in whole or parts, said it would suffer a second-quarter loss of \$150m-\$200m because of changes in its accounting principles.

Other interest rate sensitive stocks such as banks and insurance companies were generally lower. Manufacturers Hanover slipped 5/8 to \$44 1/4, Citicorp was off \$38 1/4, BankAmerica was down 3/4 to \$11 1/4, Chase Manhattan gave up 1/4 to \$40 1/4 and Travelers was down 3/4 to \$44 1/4.

Genetics Institute soared 5/4 to \$36. It was issued a patent on erythropoietin, a protein which controls the rate of human red cell production.

MBIA was the third most active NYSE issue with more than 2m shares traded. It was the first day of trading for the issue of 5.5m shares in the municipal bond insurer which had been floated at \$21 1/2. It finished unchanged at its opening price of \$22.

Tiger International, the cargo airline, rose 5/8 to \$14 1/4 on rumours that it may be on the auction block. Credit markets opened about 1/4 of a point lower, partly because of a slight weakening of the dollar. Prices improved modestly during the morning but without any real conviction. The 8.75 per cent benchmark Treasury long bond ended at 102 1/2, up 1/4 on the day and yielding 8.46 per cent.

While the markets are unlikely to gain any strong sense of direction this side of the holiday weekend, they will have to digest today's employment figures. These first economic statistics for June are likely to show a healthy increase of about 200,000 in the number of jobs created, which should leave the unemployment rate little changed.

In the corporate debt market yesterday, Banca Nazionale del Lavoro, Italy's largest bank, launched a \$500m medium-term note programme through Salomon Brothers. The notes will be offered on a continuous basis with maturities ranging from nine months to 10 years.

SOUTH AFRICA

A LATE retreat in the bullion price from its overnight highs did not prevent an advance in Johannesburg gold shares.

Bellwether gold Vaal Reefs rose \$7.50 to \$416.50, with Driefontein \$1.25 stronger at \$400.50. Freegold edged 50 cents up to \$53.

Mining financials continued to shadow golds and Anglo American added 25 cents to \$82 while Gencor firmed 50 cents to \$53.50.

Elsewhere among minings, diamond stock De Beers was up 25 cents at \$40.75 and platinum issues Impala and Rustenburg were 50 cents and 25 cents higher respectively at \$45.50 and \$52.25.

Industrials were mixed with a firmer bias. Anglo American coal slipped 50 cents to \$33.50. Nedbank, however, added a further 5 cents to \$2.20.

Seoul hits record while Tokyo rallies at close

TOKYO

BUYING OF domestic demand-related stocks towards the close of yesterday's trading in Tokyo propelled share prices higher for the first time in four sessions, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei average of 225 select issues gained 75.58 points to 24,252.38. Volume was 828.48m shares compared with Tuesday's 701.27m. Declines led advances by 530 to 397, with 119 issues unchanged.

The market opened weakly and the Nikkei index, which had shed 673 points between Saturday's session and Tuesday's, was down 443.33 points at mid-morning.

Later, however, large-capitalisation stocks, financials, construction and other domestic demand-related issues - big losers in recent days - rebounded sharply, bolstered by buying from securities houses.

Nevertheless, the dominant view was that market rallies in these stocks would be short-lived.

Tokyo Electric Power closed

higher for the first in five sessions, gaining 730 to ¥8,370. The issue lost ¥200 to ¥8,100 at one point.

Nippon Steel topped the actives with 64.8m shares changing hands. The issue closed ¥14 higher at ¥319 after falling to ¥296 in early trading.

After opening lower, Mitsubishi Heavy Industries and Daishichi Heavy Industries, turned up, ending ¥9 and ¥25 higher at ¥361 and ¥845, respectively.

Financial issues recouped big early losses towards the close. Nomura Securities, which dipped ¥80 at one point, finished ¥280 higher at ¥4,580. Sumitomo Bank declined ¥280 but later recovered slightly, closing at ¥3,850, down ¥70.

Properties, constructions and housing firms, with Mitsui Real Estate advancing ¥180 to ¥2,440, Mitsubishi Estate ¥120 to ¥2,820, Shimizu Construction ¥45 to ¥958 and National House Industrial ¥120 to ¥2,210.

Conversely, recently favoured high-technology stocks eased slightly, affected by small-lot selling. Matsushita Electric Industrial

dropped ¥30 to ¥2,250, Hitachi ¥10 to ¥1,190 and Sony ¥100 to ¥4,150.

Toshiba Corp. ended ¥24 lower at ¥860 after losing ¥43 at one point, while Toshiba Machine slipped ¥10 to ¥437. These issues were sold after the US Senate passed a bill on Tuesday to ban imports from Toshiba group firms, a move to retaliate against Toshiba Machine for its sale of sophisticated machine tools to the Soviet Union in violation of US regulations.

Bond prices rallied sharply as a major brokerage house stepped up buying, encouraged by falling bill discount rates and broad agreement between the Finance Ministry and the bond underwriting syndicate on the issue terms for July long-term government bonds.

The July bond will be issued at 97.50 per cent of par and carry a coupon rate of 4.5 per cent.

After rising to 3.950 per cent, the yield on the benchmark 5.1 per cent government bond, falling due in June 1996, turned down steeply, ending the day at 3.849 per cent, down from Tuesday's 3.880 per cent.

ASIA

SOUTH KOREA

HEAVY LATE buying offset early losses to send Seoul share prices to a new closing peak as the market found support following President Chun Doo Hwan's acceptance of reform measures. The composite index rose 0.18 to a record of 411.94 on turnover of won 88.1bn against won 68.5bn on Tuesday.

Dongsuh Stock featured strongly among gains with a 800 won rise to 20,340 won. Daishin Securities advanced won 200 to won 4,270 and Hanil Bank won 80 to won 1,727. Samsung Electronic was won 800 higher at won 33,400.

AUSTRALIA

A FIRMER bullion price lifted Sydney gold shares and the rest of the market in their wake at the start of the new fiscal year. The All Ordinaries index edged up 8.2 to 1,774.0. Among stronger golds, Hill Gold Mine NL added 7 cents to \$51.98 in heavy trade following Tuesday's 38

cent leap. The closing price now exceeds the \$51.90 bid for the company offered on Tuesday by Western Mining. Western climbed 34 cents to \$56.40.

Whim Creek added 20 cents to \$59.50 and Newmont 10 cents to \$52.45.

Other miners firmed, boosted by golds and a rise in New York copper futures on Tuesday. Peko-Wallend was up 14 cents at \$57.40 and North Broken Hill Holdings 8 cents to \$52.80.

SINGAPORE

LATE bargain hunting and buying of speculative issues helped pare early gains on profit taking to leave Singapore prices untried. The Straits Times industrial index added 0.34 to 1,281.18 due to gains in some index-based issues.

MBF and Ganda again featured among actives, easing 1 cent and 2.5 cents respectively to \$81.57 and 94 cents. Roxy was also busy and rose 15 cents to \$51.78.

Elsewhere, however, Far East Ship fell 14 cents to \$83.46, Trans-

marco 12 cents to \$84.82 and Malay Tobacco 11 cents to \$84.94.

Blue chips found only patchy buying, with Fraser and Neave 30 cents stronger at \$81.10, but Singapore Airlines off 10 cents \$812.80 and Singapore Land 10 cents lower at \$87.40.

HONG KONG

SPORADIC profit-taking in an otherwise directionless session trimmed Hong Kong share prices. The Hang Seng index lost 14.20 to 3,183.99.

Properties were the biggest losers in a broad retreat. Hang Lung was 20 cents down at HK\$14.50. New World Development fell 20 cents down at HK\$12.70 and Sun Hung Kai Properties was 10 cents lower at HK\$12.40. Against the trend, however, Cheung Kong managed a 30 cent climb to HK\$12.40.

Hongkong Land also found support to rise 10 cents to HK\$7.15 on expectations of improved earnings. Associate group Jardine Matheson also rose 40 cents to HK\$18.20.

EUROPE

Siemens pulls Frankfurt further down

Listing in Vienna for Radex Heraklith

RADEX-HERAKLITH, the Austrian fire-fighting equipment group which was at one time part of General Refractories of the US, is to go public in September with the issue of a third of the 75 per cent of its capital held by an international consortium on the Vienna bourse.

The issue, worth Sch 200m (\$15.57m) will be released to the public through Austrian bank Girozentrale.

The decision to go public was prompted by good results during 1986 as well as the fact that 65 per cent of the group's shares are now in Austrian hands.

Profits have risen over the past three years. Turnover for 1986 was more than Sch 40m. Profits for the period, however, were Sch 38.05m, some Sch 20m up on 1985.

Turnover for the first five months of 1987 show similar trends, but are expected to improve later in the year as the group's ownership structure changes.

Philadelphia-based General Refractories, its original parent, sold off its European division to Girozentrale Vienna last April for Sch 800m. Girozentrale was acting as an intermediary for a consortium of international investors which bought 75 per cent of the group's shares.

Of this holding 25 per cent will be sold in an initial offering on the Austrian stock exchange. Mr Hellmut Longin, general director, said the company would not be raising new capital with the issue.

Mr Longin holds 11 per cent of the group's shares. A further 10 per cent were purchased by the company for its workers and half have already been sold. Radex-Heraklith employs 3,170 people, 2,200 in Austria.

EUROPEAN BOURSES were lethargic and lower, with little activity. Frankfurt fell most sharply in brisk trading.

Frankfurt retreated as interest remained focused on Siemens, which fell DM 31.40 to DM 688.80 in very heavy turnover. Shortly after the opening, Siemens had traded at DM 680. Domestic and foreign investors unloaded shares and the easier dollar added to selling pressure across the market, particularly in cars and electricals.

The FAZ index, measured at mid-day and thus not reflecting the late rally, closed at 608.83, down 10.40 points. The Commerzbank index of 60 leading shares, calculated at mid-session, fell 31.9 points to 1,941.2.

Daimler fell DM 10 to DM 1,090, VW shed DM 5.50 to 411.50 and BMW lost DM 9 to DM 680. Chemicals went against the trend as BASF gained DM 1 to DM 236.50.

Zurich, affected by a general lack of buying interest, saw domestic shares close slightly lower on smaller turnover. But losses were generally within a narrow range.

The exception to the dull market was Ascom, the company created by the merger of the communications companies, Hestler and Autophon. Its heavier share improved Sfr 175 to Sfr 9,126, reflecting mounting foreign interest in the stock.

Adia bearers shares fell Sfr 400 to Sfr 11,500, while Surveillance bearers rose Sfr 100 to Sfr 5,900. In weaker banks, Union Bank of Switzerland bearers fell Sfr 90 to Sfr 7,900 while Credit Swiss bearers shed Sfr 35 to Sfr 3,130.

Brussels traded longer than normal for technical reasons and the stock index closed at 4,780.22, down 6.58 points but not far short of Monday's record of 4,800.76.

Interest in blue chips was muted, with activity centred on holdings and banks. Sofina advanced Bfr 125 to Bfr 14,700, and Société Générale gained Bfr 90 to Bfr 6,450.

Holdings were lower save for Sofina, with Cobepe shedding Bfr 100 to Bfr 3,950 and Reserve, the stock of Société Générale de Belgique, was Bfr 5 lower at Bfr 3,075.

Amsterdam was affected by Wall Street's decline the previous day but, as the dollar seemed to recover from its softer undertone, shares although closing lower, were above levels earlier in the day. The weighted ANP-CBS general index slipped to 303.5 from the record peak of 306.8.

Paris reacted to early trading in Wall Street and the dollar but the 50-share Bourse indicator posted a gain of 0.35 per cent at the close. The market was hoping for improved French trade and inflation figures for June.

Vallourec led the gains, putting on 12.2 per cent to FFr 53. Signaux rose 6.5 per cent to FFr 576, newly

LONDON

LONDON equities continued their downward slide as Japanese investment funds - which pushed the UK Government bond market higher yesterday morning with a sudden flurry of buying - continued to avoid stocks.

Equities opened sharply lower in the face of the setback on Wall Street and never recovered. The FT-SE 100 closed a net 14.3 down on the day at 2,289.8, while the

privatised Credit Commercial de France put on 5.2 per cent to 140, Penarroya rose 3.6 per cent to FFr 45 and Alstom gained 3 per cent to FFr 390.

Milan saw thin volume and the weak tone continued. Fiat, which on Tuesday reported higher turnover and operating profits for the first

four months, closed stable at L12,900 but weakened in post-close trading. Olivetti ordinary dropped to L12,470 from L12,810, Generali shed L1,350 to L13,100 and Montedison slipped to L2,350 from L2,380.

Ole was busy and prices closed generally lower, with some foreign investors taking profits on recent

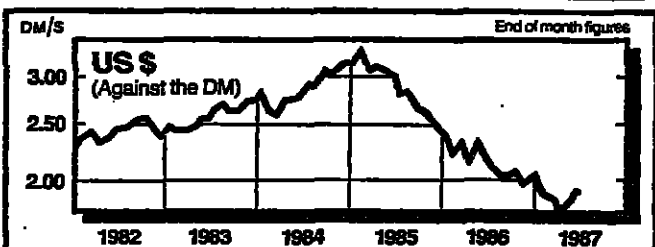
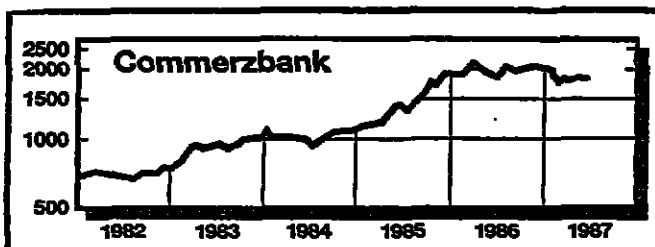
gains amid some nervousness as the all-share index creeps closer to its all time record high of 333.28, reached on April 24.

Yesterday's close was 330.60, down 0.37 points. The oil index saw the biggest drop, falling 0.74 points to 286.88.

Stockholm fell slightly, with the Vekmans Affarer all-share index down to 994.9 from 998.4. Ericsson dipped Sfr 6 to Sfr 240, mainly due to a statement by the company's president, Bjorn Svedberg, last week that it would take longer than expected to turn the company around.

Madrid finished mostly lower, with the general index down 1.34 points. The banking index dropped 0.86 of a point, with Banesto down 34 percentage points to 750 per cent of nominal market value, and Bilbao falling 13 percentage points to 1,345 per cent.

KEY MARKET MONITORS



STOCK MARKET INDICES			
	Jul 1	Prev	Year ago
NEW YORK			
DI Industrials	2,409.76	2,416.53	1,934.01
DI Transport	1,023.45	1,026.08	781.88
DI Utilities	205.95	205.90	195.55
S&P Comp.	302.94	304.00	252.04

LONDON FT			
	1,772.1	1,782.6	1,366.6
SE 100	2,269.8	2,284.1	1,880.80
A All-share	1,149.15	1,153.12	819.29
A 500	1,271.56	1,276.57	983.56
Gold mines	384.6	373.9	198.2
A Long gilt	9.21	9.18	6.42
World Act. Ind.	130.54	132.17	92.74

				1,261.18	1,261.00	745.1
TOKYO						
Nikkei	24,252.38	24,176.40	17,822.7			
Tokyo SE	2,042.53	2,039.08	1,355.68			
SOUTH AFRICA JSE						
Gold	—	—	—	2,060.0	1,247.0	1,173.0
Industrials	—	—	—	1,923.0	1,173.0	1,173.0

AUSTRALIA			
All Ord.	1,774.0	1,785.8	1,175.3
Metals & Mins.	2,612.3	1,029.0	496.2
<hr/>			
AUSTRIA			
Credit Aktien	185.74	185.94	245.28

SPAIN		Madrid SE	
		246.24	247.58 170.1
<hr/>			
SWEDEN		J & P	
		2,689.80	2,704.60 2,431.1

SWITZERLAND			
	Swiss Bank Ind	610.40	613.0
COMMODITIES (London)			
		July 1	Pr
Other (not Spain)		140.00	140.0

BELGIUM SE			
	4,780.22	4,788.80	3,678.18

DENMARK SE				July 1	Prev	
SE	206.85	207.96	216.57	London	\$448.50	\$448.75
				Zürich	\$448.25	\$447.15
				Paris (bding)	\$448.82	\$444.73
FRANCE				Luxembourg	\$450.15	\$447.70
CAC Gen	-	404.50	354.9			

Ind. Tendance	101.90	101.80	84.28	New York (August)	\$449.40*	\$452.20
---------------	--------	--------	-------	-------------------	-----------	----------

FRANCE			
	404.50	404.50	354.9
CAC Gen	404.50	404.50	354.9
Ind. Tendance	101.90	101.80	84.28

CURRENCIES (London)			US BONDS				
	US DOLLAR	STERLING	Treasury				
	July 1 Previous	July 1 Previous		July 1	Prev		
500	1.8280	1.8165		Price	Yield	Price	Yield
FAZ-Aktien	1.8225	1.8135	7 1/8 1989	99 1/8	7.44	99 1/8	7.51
Commerzbank	148.75	148.75	7 1/8 1994	98 1/8	8.21	98 1/8	8.25
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					
Wolfs	140.75	140.75					</

SPY	1,519.0	1,515.0	2,455	2,446	8% 1997	100% ₂₀₀₇	8.36	100% ₂₀₀₇	8.40
QQQ	2,058.0	2,050.0	3,327.5	3,315	8% 2017	102% ₂₀₀₇	8.49	102% ₂₀₀₇	8.52
FIN	1,322.5	1,322	2,137.75	2,132	Source: Harris Trust Savings Bank				
SPY	37.85	37.90	61.20	61.15					
QQQ	1,329.5	1,331.5	2,147.5	2,145.5					

Treasury Index

INTEREST RATES			July 1				
	July 1	Prev	Maturity (years)	Return Index	Day's change	Yield	Day's change
Euro-currency							
3-month offered rate)	2.50	2.50	1-30	163.17	+0.23	6.83	-0.01

1	9%	8%	1-10	154.63	+0.12	6.66	-0.01
SPR	3%	3³/₁₆	1-3	144.03	+0.07	6.37	-0.01
DM	3%	3³/₁₆	3-5	157.57	+0.17	6.71	-0.01
FFR	8⁷/₁₆	8%	15-30	193.58	+0.59	7.78	-0.01

FT London interbank fixing
(offer rate)

3-month LIBOR 7% 7%

Source: Merrill Lynch

6-month US\$	7 7/8	7 7/8		
12 Fed Funds	7 1/2	7 1/2		
183-month CDs	6 1/2	6 1/2		
183-month T-bills	6.75	7.075		
	5.62	5.89		

Corporate				
	July 1		Prev	
	Price	Yield	Price	Yield
AT&T 3% July 1980				

					unch	unch	\$3.24	6.46
CHICAGO					SCST South Central 10% Jan 1993			
US Treasury Bonds (GST)					unch	unch	109.0	10.16
1% 32nds of 100%					Phibro Set 8 April 1996			
June 30	Latest	High	Low	Prev	unch	unch	92.32	9.30
Sept)	81-17	91-26	91-03	91-16				

US Treasury Bills (BAIL)		97.06	97.10	TRW 8% March 1998		
11m points of 100%				unch	unch	97.06
Sept	94.06	94.10	93.94	Arco 9% March 2016		9.25
Certificates of Deposit (BAIL)				unch	unch	102.15
11m points of 100%						9.25
Sept	-	-	-	General Motors 8% April 2016		

LONDON				unch	unch	55.65	9.80
Three-month Eurodollar				Citicorp 9% March 2016			
1m points of 100%				unch	unch	92.79	10.15
Sept)	92.63	92.68	92.56	92.59			
10-year Notional Qnt							
50,000 32nds of 100%							

Source: Salomon Brothers

Sept1	122-15	123-20	122-14	123-04	* Latest available figures
-------	--------	--------	--------	--------	----------------------------